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BEFORE THE ARIZONA CORPORATION COMMISSION

CARL J. KUNASEK
Chairman
JIM IRVIN
Commissioner
RENZ D. JENNINGS
Commissioner

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ARIZ. CORPORATION COMMISSION

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DOCUMENT CONTROL

IN THE MATTER OF THE APPLICATION OF) DOCKET NO. E-01933A-98-0471
TUCSON ELECTRIC POWER COMPANY FOR)
APPROVAL OF ITS STRANDED COST)
RECOVERY AND FOR RELATED APPROVALS,)
AUTHORIZATIONS AND WAIVERS.)

IN THE MATTER OF THE FILING OF TUCSON) DOCKET NO. E-01933A-97-0772
ELECTRIC POWER COMPANY OF)
UNBUNDLED TARIFFS PURSUANT TO A.A.C.)
R14-2-1602 *et seq.*)

IN THE MATTER OF THE COMPETITION IN) DOCKET NO. RE-00000C-94-0165
THE PROVISION OF ELECTRIC SERVICES)
THROUGHOUT THE STATE OF ARIZONA.)

**TUCSON ELECTRIC POWER COMPANY'S NOTICE OF FILING UNBUNDLED
DISTRIBUTION TARIFFS**

Pursuant to Section 6.1 of the Settlement Agreement dated June 9, 1999 in the above-
captioned matters, Tucson Electric Power Company hereby files its Unbundled Distribution Tariffs
(Exhibit B) to the Settlement Agreement.

RESPECTFULLY SUBMITTED this 16th day of June, 1999.

TUCSON ELECTRIC POWER COMPANY

By:

Bradley S. Carroll
Counsel, Regulatory Affairs
Legal Department - DB203
220 West Sixth Street - P.O. Box 711
Tucson, Arizona 85702

1 **Original and ten copies of the foregoing sent via**
2 **Federal Express this 16th day of June, 1999, to:**

3 Docket Control
4 ARIZONA CORPORATION COMMISSION
5 1200 West Washington Street
6 Phoenix, Arizona 85007

7 **Copy of the foregoing sent via Federal**
8 **Express this 16th day of June, 1999, to:**

9 Carl J. Kunasek, Chairman
10 Jim Irvin, Commissioner
11 Renz D. Jennings, Commissioner
12 ARIZONA CORPORATION COMMISSION
13 1200 West Washington Street
14 Phoenix, Arizona 85007

15 Jerry L. Rudibaugh, Chief Hearing Officer
16 Hearing Division
17 ARIZONA CORPORATION COMMISSION
18 1200 West Washington Street
19 Phoenix, Arizona 85007

20 Paul Bullis, Chief Counsel
21 Legal Division
22 ARIZONA CORPORATION COMMISSION
23 1200 West Washington Street
24 Phoenix, Arizona 85007

25 Ray Williamson, Acting Director
26 Utilities Division
27 ARIZONA CORPORATION COMMISSION
28 1200 West Washington Street
29 Phoenix, Arizona 85007

30 **Copy of the foregoing mailed**
this 16th day of June, 1999, to:

Distribution list for:
Docket Nos. E- 01933A-98-0471
E-01933A-97-0772
RE-00000C-94-0165

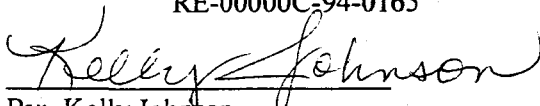
By:  Kelly Johnson
Secretary for Bradley S. Carroll

EXHIBIT B

***TUCSON ELECTRIC POWER COMPANY'S
PROPOSED UNBUNDLED DISTRIBUTION TARIFFS***

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 1
Sheet No. 1 of 5
Revision No. _____
Effective: _____

DIRECT ACCESS
RESIDENTIAL SCHEDULE NO. 1

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit -- Rider No. 5.

AVAILABILITY

In all territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICABILITY

To all single phase or three phase (subject to availability at point of delivery) residential electric service in individual private dwellings and individually metered apartments when all service is supplied at one point of delivery and energy is metered through one meter; however, electric water heating may be metered separately.

Not applicable to resale, breakdown, standby, or auxiliary service or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, nominal 120/240 volts.

RATES

Single-Phase Service

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution

Applicability: Required for Direct Access Service.

Distribution Primary
kWh

\$0.016388 per kWh

Distribution Secondary (Applies to primary & secondary customers;
a primary discount may apply to primary customers.
kWh

\$0.007091 per kWh

Customer Charge-Service Drop

\$2.685628 per customer month

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.004320 per kWh

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.009300 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access Service.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 1Sheet No. 2 of 5

Revision No. _____

Effective: _____

DIRECT ACCESS
RESIDENTIAL SCHEDULE NO. 1

kWh

\$0.000617 *per kWh***Customer Information and Lifeline Discount**

Applicability: Required System Benefit Charge for Direct Access Service.

kWh

\$0.000684 *per kWh***Uncollectible Accounts**

Applicability: Required for Direct Access Service.

kWh

\$0.000133 *per kWh***Meter Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation

\$0.400543 *per customer month*

Maintenance

\$0.080109 *per customer month*

Equipment

\$0.320434 *per customer month*

Subtotal

\$0.801086 *per customer month***Meter Reading Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$0.513286 *per customer month***Billing and Collection**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$1.000000 *per customer month***Transmission****Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission:

\$0.005629 *per kWh*

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV
2.259Non-EHV
\$0.757000 *per kW / Month*

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Ancillary Services**Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, estimated rates are shown below.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 1

Sheet No. 3 of 5

Revision No.

Effective:

DIRECT ACCESS
RESIDENTIAL SCHEDULE NO. 1

Service:

System Control & Dispatch	\$0.000079 per kWh
Reactive Supply and Voltage Control	\$0.000310 per kWh
Regulation and Frequency Response	\$0.000300 per kWh
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.000814 per kWh
Supplemental Reserve Service	\$0.000133 per kWh

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

Service:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

Generation

Applicability: The following is the generation charge that is included in Standard Offer Service.

This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.

Generation	
Summer	\$0.046530 per kWh
Winter	\$0.034337 per kWh

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

Three Phase Service

Same as single-phase service, except three-phase service is subject to the following additional charges:

Note:

There is a 3 phase differential of:

\$7.50 per customer month

Its components are:

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 1
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Revision No. _____
Effective: _____

DIRECT ACCESS
RESIDENTIAL SCHEDULE NO. 1

Customer Charge-Service Drop \$1.00 per customer month

Meter Services

Installation	\$0.81 per customer month
Maintenance	\$0.81 per customer month
Equipment	\$4.88 per customer month
Subtotal	\$6.50 per customer month

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators; not billed to end-use customers).

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 1

Sheet No. 5 of 5

Revision No. _____

Effective: _____

DIRECT ACCESS
RESIDENTIAL SCHEDULE NO. 1

RULES AND REGULATIONS

Service Connection Charges

1. There shall be a \$13.50 charge for the initial establishment of each new service for each Customer.
2. There shall be a \$13.50 charge for the re-establishment of each service for each Customer.

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

Optional rates are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the rate schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable rate schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, Company will assist in determining if a change in rates is desirable, but not more than one such change in rates will be made within any twelve month period.

Electric space heating and water heating equipment and installation shall conform to the Company's requirements.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 2

Sheet No. 1 of 5

Revision No. _____

Effective: _____

DIRECT ACCESS
RESIDENTIAL SCHEDULE NO. 2 (FROZEN)

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit -- Rider No. 5.

AVAILABILITY

This rate is limited to installations and Customers served under Rate No. 2 on the effective date of this tariff sheet.

APPLICABILITY

To separately metered single phase residential off-peak water heating service where general residential service is also provided under Rate No. 1. When service under Rate No. 2 is discontinued, the Company will either combine usage and bill under Rate No. 1 or modify the service entrance equipment so all service is supplied through the Rate No. 1 meter.

Not applicable to three phase service, resale, breakdown, standby, auxiliary, or any other service except off-peak water heating in accordance with the provisions of this rate schedule.

Where service other than water heating to which this rate is applicable has been taken hereunder, the regular rate for such service shall be applied on a monthly basis to all consumption billed hereunder during the previous twelve months less the aggregate of payments made hereunder for the same period of time. The regular rate shall continue to apply until the unauthorized service is permanently separated from the off-peak water heating service.

In the event that unauthorized usage on this rate occurs, the Company may require a credit deposit or similar guarantee to insure payment of future bills.

CHARACTER OF SERVICE

Single phase, 60 Hertz, nominal 120/240 volts.

Service may be controlled by the Company by disconnecting electricity during certain periods of the day not exceeding 8 hours in any 24-hour period, as determined by the Company from time to time.

RATE

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution

Applicability: Required for Direct Access Service.

Distribution Primary
kWh

\$0.016388 per kWh

Distribution Secondary (Applies to primary & secondary customers;
a primary discount may apply to primary customers.
kWh

\$0.007091 per kWh

Customer Charge-Service Drop

\$5.695628 per customer month

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.004320 per kWh

Fixed CTC

Applicability: Required for Direct Access Service.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 2Sheet No. 2 of 5

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Effective: _____

DIRECT ACCESS
RESIDENTIAL SCHEDULE NO. 2 (FROZEN)

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.009300 *per kWh***Floating CTC**

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access Service.

kWh

\$0.000617 *per kWh***Customer Information and Lifeline Discount**

Applicability: Required System Benefit Charge for Direct Access Service.

kWh

\$0.000684 *per kWh***Uncollectible Accounts**

Applicability: Required for Direct Access Service.

kWh

\$0.000133 *per kWh***Meter Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation

\$0.400543 *per customer month*

Maintenance

\$0.080109 *per customer month*

Equipment

\$0.320434 *per customer month*

Subtotal

\$0.801086 *per customer month***Meter Reading Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$0.513286 *per customer month***Billing and Collection**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$1.000000 *per customer month***Transmission****Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission:

\$0.005629 *per kWh*

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV
2.259Non-EHV
\$0.757000 *per kW / Month*

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 2

Sheet No. 3 of 5

Revision No. _____

Effective: _____

DIRECT ACCESS
RESIDENTIAL SCHEDULE NO. 2 (FROZEN)

Ancillary Services

Group "A" : For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

Service:

System Control & Dispatch	\$0.000079 per kWh
Reactive Supply and Voltage Control	\$0.000310 per kWh
Regulation and Frequency Response	\$0.000300 per kWh
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.000814 per kWh
Supplemental Reserve Service	\$0.000133 per kWh

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

Service:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

Generation

Applicability: The following is the generation charge that is included in Standard Offer Service.

This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.

All kWh

\$0.009225 per kWh

Summer billing months are May through October and winter billing months are November through April.

Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 2

Sheet No. 4 of 5

Revision No. _____

Effective: _____

DIRECT ACCESS
RESIDENTIAL SCHEDULE NO. 2 (FROZEN)

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators; not billed to end-use customers).

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 2

Sheet No. 5 of 5

Revision No. _____

Effective: _____

DIRECT ACCESS
RESIDENTIAL SCHEDULE NO. 2 (FROZEN)

RULES AND REGULATIONS

Service Connection Charges

1. There shall be a \$13.50 charge for the initial establishment of each new service for each Customer.
2. There shall be a \$13.50 charge for the re-establishment of each service for each Customer.

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

Optional rates are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the rate schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable rate schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, Company will assist in determining if a change in rates is desirable, but not more than one such change in rates will be made within any twelve month period.

The electric water heating equipment and installation shall conform to the Company's requirements and be for normal domestic use. The heater shall be of the storage type and not less than 30-gallon capacity. For a water heater equipped with one heating element, the rating of the heating element shall not exceed 6000 watts. For a water heater equipped with more than one heating element, the rating of any such heating element shall not exceed 6000 watts, and, if the total of the ratings of the elements exceeds 6000 watts, they shall be thermostatically interlocked so that they cannot operate simultaneously and thereby exceed 6000 watts. The Customer shall provide the necessary wiring to permit the installation of the Company's metering and control equipment.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 4F

Sheet No. 1 of 1

Revision No. _____

Effective: _____

RESIDENTIAL LIFELINE/SENIOR DISCOUNT RATE NO. 4 (FROZEN RATE)

AVAILABILITY

In all territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served. This program shall be available to new customers until the start of retail electric competition in the Company's service territory. Thereafter, this program shall be closed to new customers. Lifeline and Senior Lifeline programs shall be addressed under the Company's Rate No. 6 after the start of retail electric competition. Customers who subscribe to Rate No. 4 or 5 prior to the start of retail electric competition shall, at their option, be grandfathered under this program. This program may be terminated upon Arizona Corporation Commission approval.

APPLICABILITY

To electric service qualifying for billing under Residential Rate No. 01, Residential Time-of-Use Rate No. 21, or Residential Time-of-Use Rate No. 70, where the customer also has qualified for Rate No. 4 as specified in the Company's plan for administration. All provisions of Rate No. 01, Rate No. 21, or Rate No. 70 will apply except as modified herein. This discount is also available to tenants of master metered mobile home parks and apartments. The applicant must be 65 years of age, or older, to qualify.

MONTHLY BILL

The monthly bill shall be in accordance with the Rate No. 01, Rate No. 21, or Rate no. 70 schedule except:

For Bills with Usage of:	The Total Bill (before Taxes and Regulatory Assessments) Will Be Discounted by:
0 - 300 kWh	35%
301 - 600 kWh	30%
601 - 1000 kWh	25%
1001 - 1500 kWh	15%
Over 1500 kWh	0%

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 5F

Sheet No. 1 of 1

Revision No. _____

Effective: _____

DIRECT ACCESS
RESIDENTIAL LIFELINE DISCOUNT RATE NO. 5 (FROZEN RATE)

AVAILABILITY

In all territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served. This program shall be available to new customers until the start of retail electric competition in the Company's service territory. Thereafter, this program shall be closed to new customers. Lifeline and Senior Lifeline programs shall be addressed under the Company's Rate No. 6 after the start of retail electric competition. Customers who subscribe to Rate No. 4 or 5 prior to the start of retail electric competition shall, at their option, be grandfathered under this program. This program may be terminated upon Arizona Corporation Commission approval.

APPLICABILITY

To electric service qualifying for billing under Residential Rate No. 01, Residential Time-of-Use Rate No. 21, or Residential Time-of-Use Rate No. 70 where the customer also has qualified for Rate No. 5 as specified in the Company's plan for administration. All provisions of Rate No. 01, Rate No. 21, or Rate No. 70 will apply except as modified herein. This discount is also available to tenants of master metered mobile home parks and apartments.

MONTHLY BILL

The monthly bill shall be in accordance with the Rate No. 01, Rate No. 21, or Rate No. 70 schedule except:

For Bills with Usage of:	The Total Bill (before Taxes and Regulatory Assessments) Will Be Discounted by:
0 - 300 kWh	25%
301 - 600 kWh	20%
601 - 1000 kWh	15%
Over 1000 kWh	0%

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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RESIDENTIAL LIFELINE DISCOUNT RATE NO. 6

AVAILABILITY

In all territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served.

APPLICABILITY

To electric service qualifying for billing under Residential Rate No. 01, Residential Time-of-Use Rate No. 21, or Residential Time-of-Use Rate No. 70 where the customer also has qualified for Rate No. 5 as specified in the Company's plan for administration. All provisions of Rate No. 01, Rate No. 21, or Rate No. 70 will apply except as modified herein. This discount is also available to tenants of master metered mobile home parks and apartments.

MONTHLY BILL

The monthly bill shall be in accordance with the Rate No. 01, Rate No. 21, or Rate No. 70 schedule except that a discount of \$8.00 per month shall be applied. The minimum bill shall be the customer charge under Rate No. 01, Rate No. 21, or Rate No. 70 as applicable.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 10Sheet No. 1 of 5

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DIRECT ACCESS
GENERAL SERVICE SCHEDULE NO. 10

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit -- Rider No. 5.

AVAILABILITY

Throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all general power and lighting service unless otherwise addressed by specific rate schedules, when all energy is supplied at one point of delivery and through one metered service. Also applicable to ESA (special contract) customers who take direct access service after the expiration of their contracts.

Not applicable to resale, breakdown, standby, or auxiliary service.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

RATES**Single-Phase Service**

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution

Applicability: Required for Direct Access Service.

Distribution Primary

kWh

\$0.014301 per kWh

Distribution Secondary (Applies to primary & secondary customers;
a primary discount may apply to primary customers.

kWh

\$0.006724 per kWh

Customer Charge-Service Drop

\$2.410802 per customer month

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.005140 per kWh

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.011100 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access Service.

kWh

\$0.000625 per kWh

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
GENERAL SERVICE SCHEDULE NO. 10**Customer Information and Lifeline Discount**Applicability: Required System Benefit Charge for Direct Access Service.
kWh

\$0.000693 per kWh

Uncollectible AccountsApplicability: Required for Direct Access Service.
kWh

\$0.000134 per kWh

Meter Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation	\$1.057093 per customer month
Maintenance	\$0.211419 per customer month
Equipment	\$0.845674 per customer month
Subtotal	\$2.114186 per customer month

Meter Reading Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service: \$0.475012 per customer month

Billing and Collection

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service: \$1.000000 per customer month

Transmission**Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission: \$0.007367 per kWh

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV	Non-EHV
2.259	\$0.757000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Ancillary Services**Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, estimated rates are shown below.

Service:

System Control & Dispatch	\$0.000103 per kWh
Reactive Supply and Voltage Control	\$0.000405 per kWh
Regulation and Frequency Response	\$0.000393 per kWh

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
GENERAL SERVICE SCHEDULE NO. 10

Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.001065 per kWh
Supplemental Reserve Service	\$0.000174 per kWh

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

Service:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

Generation

Applicability: The following is the generation charge that is included in Standard Offer Service.

This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.

Summer 1st block	\$0.067305 per kWh
Summer 2nd block	\$0.053683 per kWh
Winter 1st block	\$0.067305 per kWh
Winter 2nd block	\$0.046978 per kWh

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
GENERAL SERVICE SCHEDULE NO. 10

Three Phase Service

Same as single-phase service, except three-phase service is subject to the following additional charges:

Note:

There is a 3 phase differential of: \$7.50 per customer month

Its components are:

Customer Charge-Service Drop \$1.00 per customer month

Meter Services

Installation \$0.81 per customer month

Maintenance \$0.81 per customer month

Equipment \$4.88 per customer month

Subtotal \$6.50 per customer month

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill. For ESA customers who take direct access after the expiration of their contracts, the "customer's bundled rate" used in the calculation of the floating CTC will be the customer's ESA price as of May 1, 1999, (subject to any automatic escalation provisions contained in the ESA).

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators; not billed to end-use customers).

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
GENERAL SERVICE SCHEDULE NO. 10

ADJUSTMENT FOR TRANSFORMER OWNERSHIP AND METERING

- (a) When Company owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 10.3¢ per kW per month of the demand each month.
- (b) When Customer owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 20.6¢ per kW per month of the demand each month.
- (c) When Customer owns transformers and, at Company's option, energy is metered on secondary side of transformers, the demand shall be metered and the above schedule subject to a discount of 10.3¢ per kW per month of the demand each month.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

Service Connection Charges

1. There shall be a \$13.50 charge for the initial establishment of each new service for each Customer.
2. There shall be a \$13.50 charge for the re-establishment of each service for each Customer.

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

The Company may require a written contract and a minimum term of contract.

Where the Customer's utilization equipment is operated on a fixed schedule and can be readily and efficiently inspected by the Company to verify its demand and/or kWh usage, the Company may supply unmetered service under this Rate Schedule upon the basis of the demand and/or kWh usage determined by the Company. The Company reserves the right at any time to meter service previously supplied on an unmetered basis. The Customer will be responsible for notifying the Company of any changes being made in the equipment connected to the system. The determined demand and/or kWh usage will be adjusted as equipment is changed.

Optional rates are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the rate schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable rate schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, Company will assist in determining if a change in rates is desirable, but not more than one such change in rates will be made within any twelve month period.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
MOBILE HOME PARK SCHEDULE NO. 11

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; and Fixed CTC by Class – Rider No. 4.

AVAILABILITY

Throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To mobile home parks for service through a master meter to two or more mobile homes, provided each mobile home served through such master meter will be individually metered and billed by the park operator in accordance with applicable Orders of the Arizona Corporation Commission. Electric service to the park's facilities used by its residents may be supplied under this schedule only if such facilities are served through a master meter which serves two or more mobile homes.

Not applicable to resale, breakdown, standby, or auxiliary service.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

RATES

Single-Phase Service

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution

Applicability: Required for Direct Access Service.

Distribution Primary
kWh

\$0.016388 per kWh

Distribution Secondary (Applies to primary & secondary customers;
a primary discount may apply to primary customers.
kWh

\$0.007091 per kWh

Customer Charge-Service Drop

\$2.410802 per customer month

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.004320 per kWh

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.009300 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access Service.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 11Sheet No. 2 of 5

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DIRECT ACCESS
MOBILE HOME PARK SCHEDULE NO. 11kWh \$0.000617 *per kWh***Customer Information and Lifeline Discount**Applicability: Required System Benefit Charge for Direct Access Service.
kWh\$0.000684 *per kWh***Uncollectible Accounts**Applicability: Required for Direct Access Service.
kWh\$0.000133 *per kWh***Meter Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation	\$1.057093 <i>per customer month</i>
Maintenance	\$0.211419 <i>per customer month</i>
Equipment	\$0.845674 <i>per customer month</i>
Subtotal	\$2.114186 <i>per customer month</i>

Meter Reading Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service: \$0.475012 *per customer month***Billing and Collection**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service: \$1.000000 *per customer month***Transmission****Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission: \$0.005629 *per kWh*

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC. (See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV	Non-EHV
2.259	\$0.757000 <i>per kW / Month</i>

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Ancillary Services**Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, estimated rates are shown below.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
MOBILE HOME PARK SCHEDULE NO. 11

Service:

System Control & Dispatch	\$0.000079 per kWh
Reactive Supply and Voltage Control	\$0.000310 per kWh
Regulation and Frequency Response	\$0.000300 per kWh
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.000814 per kWh
Supplemental Reserve Service	\$0.000133 per kWh

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

Service:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

Generation

Applicability: The following is the generation charge that is included in Standard Offer Service.

This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.

Generation

Summer

\$0.046530 per kWh

Winter

\$0.034337 per kWh

Summer billing months are May through October and winter billing months are November through April.

Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

Three Phase Service

Same as single-phase service, except three-phase service is subject to the following additional charges:

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Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Effective: _____

DIRECT ACCESS
MOBILE HOME PARK SCHEDULE NO. 11

Note:

There is a 3 phase differential of: \$7.50 per customer month

Its components are:

Customer Charge-Service Drop \$1.00 per customer month

Meter Services

Installation \$0.81 per customer month

Maintenance \$0.81 per customer month

Equipment \$4.88 per customer month

Subtotal \$6.50 per customer month

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators; not billed to end-use customers).

ADJUSTMENT FOR TRANSFORMER OWNERSHIP AND METERING

(a) When Company owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 10.3¢ per kW per month of the demand each month.

(b) When Customer owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 20.6¢ per kW per month of the demand each month.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
MOBILE HOME PARK SCHEDULE NO. 11

(c) When Customer owns transformers and, at Company's option, energy is metered on secondary side of transformers, the demand shall be metered and the above schedule subject to a discount of 10.3¢ per kW per month of the demand each month.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

Service Connection Charges

1. There shall be a \$13.50 charge for the initial establishment of each new service for each Customer.
2. There shall be a \$13.50 charge for the re-establishment of each service for each Customer.

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

The Company may require a written contract and a minimum term of contract.

Optional rates are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the rate schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable rate schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, Company will assist in determining if a change in rates is desirable, but not more than one such change in rates will be made within any twelve month period.

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Tucson, Arizona

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DIRECT ACCESS
LARGE GENERAL SERVICE SCHEDULE NO. 13

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit -- Rider No. 5.

AVAILABILITY

Throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To all general power and lighting service on an optional basis when all energy is supplied at one point of delivery and through one metered service. Customer shall contract for a demand of not less than 200 kW. Also applicable to ESA (special contract) customers who take direct access service after the expiration of their contracts.

Not applicable to resale, breakdown, standby, or auxiliary service.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution

Applicability: Required for Direct Access Service.

Distribution Primary

Min. Chg. Up to 200 kW

\$163.420632 *per customer month*

2nd block kW

\$0.731442 *per kW*

Summer kWh

\$0.009043 *per kWh*

Winter kWh

\$0.008686 *per kWh*

Distribution Secondary (Applies to primary & secondary customers;
a primary discount may apply to primary customers.

Min. Chg. Up to 200 kW

\$67.413741 *per customer month*

2nd block kW

\$0.301732 *per kW*

Summer kWh

\$0.002947 *per kWh*

Winter kWh

\$0.002799 *per kWh*

Customer Charge-Service Drop

\$203.915716 *per customer month***Fixed Must-Run**

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.003600 *per kWh***Fixed CTC**

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.007800 *per kWh*

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 13Sheet No. 2 of 5

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DIRECT ACCESS
LARGE GENERAL SERVICE SCHEDULE NO. 13

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access Service.

Min. Chg. Up to 200 kW

\$10.564494 *per customer month*

2nd block kW

\$0.047285 *per kW*

Summer kWh

\$0.000462 *per kWh*

Winter kWh

\$0.000439 *per kWh***Customer Information and Lifeline Discount**

Applicability: Required System Benefit Charge for Direct Access Service.

Min. Chg. Up to 200 kW

\$11.712882 *per customer month*

2nd block kW

\$0.052425 *per kW*

Summer kWh

\$0.000512 *per kWh*

Winter kWh

\$0.000486 *per kWh***Uncollectible Accounts**

Applicability: Required for Direct Access Service.

Min. Chg. Up to 200 kW

\$2.270740 *per customer month*

2nd block kW

\$0.010163 *per kW*

Summer kWh

\$0.000099 *per kWh*

Winter kWh

\$0.000094 *per kWh***Meter Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation

\$1.500000 *per customer month*

Maintenance

\$1.500000 *per customer month*

Equipment

\$9.000000 *per customer month*

Subtotal

\$12.000000 *per customer month***Meter Reading Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$1.000000 *per customer month***Billing and Collection**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$5.000000 *per customer month***Transmission**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV
2.259Non-EHV
\$0.757000 *per kW / Month*

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
LARGE GENERAL SERVICE SCHEDULE NO. 13

Ancillary Services

Applicability: (See Transmission)

As of June 7, 1999, the charges are as follows:

Service:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT.

This is subject to change pursuant to AISA protocols.

Generation

Applicability: The following is the generation charge that is included in Standard Offer Service.

This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.

Min. Chg. Up to 200 kW	\$1,107.760205 per customer month
2nd block kW	\$4.958139 per kW
Summer kWh	\$0.036419 per kWh
Winter kWh	\$0.033998 per kWh

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill. For ESA customers who take direct access after the expiration of their contracts, the "customer's bundled rate" used in the calculation of the floating CTC will be the customer's ESA price as of May 1, 1999, (subject to any automatic escalation provisions contained in the ESA).

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

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DIRECT ACCESS
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The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators; not billed to end-use customers).

BILLING DEMAND

The maximum 15 minute measured demand in the month, but not less than 50% of the maximum demand used for billing purposes in the preceding 11 months, nor less than 50% of the contract demand, nor less than 200 kW.

ADJUSTMENT FOR TRANSFORMER OWNERSHIP AND METERING

1. When Company owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 10.3¢ per kW per month of the billing demand each month.
2. When Customer owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 20.6¢ per kW per month of the billing demand each month.
3. When Customer owns transformers and, at Company's option, energy is metered on secondary side of transformers, the demand shall be metered and the above schedule subject to a discount of 10.3¢ per kW per month of the billing demand each month.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

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Tucson, Arizona

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Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
LARGE GENERAL SERVICE SCHEDULE NO. 13

RULES AND REGULATIONS

Service Connection Charges

1. There shall be a \$13.50 charge for the initial establishment of each new service for each Customer.
2. There shall be a \$13.50 charge for the re-establishment of each service for each Customer.

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

The Company may require a written contract and a minimum term of contract.

Optional rates are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the rate schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable rate schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, Company will assist in determining if a change in rates is desirable, but not more than one such change in rates will be made within any twelve month period.

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Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 14Sheet No. 1 of 4

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DIRECT ACCESS
LARGE LIGHT AND POWER SCHEDULE NO. 14

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit -- Rider No. 5.

AVAILABILITY

Rate No. 14 shall be available for any Customer within the service territory of the Company if the Company has facilities of adequate capacity and a written contract, covering such matters as the Company and Customer shall deem appropriate.

Also applicable to ESA (special contract) customers who take direct access service after the expiration of their contracts.

CHARACTER OF SERVICE

Service shall be three phase, 60 Hertz, and shall be supplied directly from any 46,000 volt, or higher voltage, system through distribution facilities used exclusively to serve Rate 14 customers at a delivery voltage of not less than 2400/4160 volts and delivered at a single point of delivery unless otherwise specified in the contract.

RATE

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution

Applicability: Required for Direct Access Service.

Distribution Primary

Demand Charge	\$0.000000 <i>per kW</i>
Summer kWh	\$0.000000 <i>per kWh</i>
Winter kWh	\$0.000000 <i>per kWh</i>

Distribution Secondary (Applies to primary & secondary customers; a primary discount may apply to primary customers.)

Demand Charge	\$0.000000 <i>per kW</i>
Summer kWh	\$0.000000 <i>per kWh</i>
Winter kWh	\$0.000000 <i>per kWh</i>

Customer Charge-Service Drop	\$0.000000 <i>per customer month</i>
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Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:	\$0.002880 <i>per kWh</i>
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Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:	\$0.006200 <i>per kWh</i>
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Assumes 75% annual load factor

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

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DIRECT ACCESS
LARGE LIGHT AND POWER SCHEDULE NO. 14

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access Service.

Demand Charge

\$0.086905 *per kW*

Summer kWh

\$0.000401 *per kWh*

Winter kWh

\$0.000381 *per kWh***Customer Information and Lifeline Discount**

Applicability: Required System Benefit Charge for Direct Access Service.

Demand Charge

\$0.096351 *per kW*

Summer kWh

\$0.000145 *per kWh*

Winter kWh

\$0.000122 *per kWh***Uncollectible Accounts**

Applicability: Required for Direct Access Service.

Demand Charge

\$0.018679 *per kW*

Summer kWh

\$0.000086 *per kWh*

Winter kWh

\$0.000082 *per kWh***Meter Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation

\$2.000000 *per customer month*

Maintenance

\$2.000000 *per customer month*

Equipment

\$16.000000 *per customer month*

Subtotal

\$20.000000 *per customer month***Meter Reading Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$1.000000 *per customer month***Billing and Collection**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$35.000000 *per customer month***Transmission**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV
2.259Non-EHV
\$0.757000 *per kW / Month*

Note: A loss factor adjustment (1.5%) shall be made for transmission and ancillary services.

Ancillary Services

Applicability: (See Transmission)

As of June 7, 1999, the charges are as follows:

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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DIRECT ACCESS
LARGE LIGHT AND POWER SCHEDULE NO. 14

Service:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Note: A loss factor adjustment (1.5%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT.

This is subject to change pursuant to AISA protocols.

Generation

Applicability: The following is the generation charge that is included in Standard Offer Service.

This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.

Demand Charge	\$9.063907 per kW
Summer kWh	\$0.037855 per kWh
Winter kWh	\$0.035508 per kWh

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill. For ESA customers who take direct access after the expiration of their contracts, the "customer's bundled rate" used in the calculation of the floating CTC will be the customer's ESA price as of May 1, 1999, (subject to any automatic escalation provisions contained in the ESA).

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
LARGE LIGHT AND POWER SCHEDULE NO. 14

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators; not billed to end-use customers).

BILLING DEMAND

The billing demand shall be specified in the contract, but shall not be less than 3,000 kW. Additionally, the billing demand shall not be less than 66.67% of the maximum billing demand in the preceding eleven (11) months, unless otherwise specified in the contract.

POWER FACTOR ADJUSTMENT

The above rate is subject to a discount or a charge of 1.3¢ per kW of billing demand for each 1% the average monthly power factor is above or below 90% lagging to a maximum discount of 13.0¢ per kW of billing demand per month.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Effective: _____

DIRECT ACCESS
RESIDENTIAL TIME-OF-USE SCHEDULE NO. 21 (FROZEN)

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit -- Rider No. 5.

AVAILABILITY

Throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises. Direct access to the meter during normal working hours is also a prerequisite for this rate schedule.

APPLICABILITY

To any Customer entitled to single phase service under Rate 01. Preference may be given to those Customers whose historic or expected annual usage exceeds 16,000 kWh. Service must be single phase residential electric service in individual private dwellings and individually metered multi-family units when all service is supplied at one point of delivery and energy is metered through one meter; however, controlled off-peak electric water heating may be metered separately.

Not applicable to three phase service, resale, breakdown, temporary, standby, or auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

The total number of Customers served under this Time-of-Use Rate Schedule is limited to 5,000. Service under this schedule will commence when the appropriate meter has been installed.* Customers must stay on this Rate Schedule for a minimum period of one (1) year.

The waiting list for service under this Time-of-Use Rate Schedule was frozen as of March 31, 1996.

As meters become available from the original group of 5,000, customers on the frozen waiting list will be offered service under this Rate Schedule in the order that they were placed on the waiting list.

Customers currently served under this Rate Schedule that change residences will not be allowed to receive service under this Rate Schedule at their new residence.

CHARACTER OF SERVICE

Single phase, 60 Hertz, nominal 120/240 volts.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution

Applicability: Required for Direct Access Service.

Distribution Primary
kWh

\$0.016388 per kWh

Distribution Secondary (Applies to primary & secondary customers;
a primary discount may apply to primary customers.
kWh

\$0.007091 per kWh

Customer Charge-Service Drop

\$2.685628 per customer month

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.004320 per kWh

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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DIRECT ACCESS
RESIDENTIAL TIME-OF-USE SCHEDULE NO. 21 (FROZEN)

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.009300 *per kWh***Floating CTC**

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access Service.

kWh

\$0.000617 *per kWh***Customer Information and Lifeline Discount**

Applicability: Required System Benefit Charge for Direct Access Service.

kWh

\$0.000684 *per kWh***Uncollectible Accounts**

Applicability: Required for Direct Access Service.

kWh

\$0.000133 *per kWh***Meter Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation

\$1.400543 *per customer month*

Maintenance

\$0.280109 *per customer month*

Equipment

\$1.120434 *per customer month*

Subtotal

\$2.801086 *per customer month***Meter Reading Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$0.513286 *per customer month***Billing and Collection**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$1.000000 *per customer month***Transmission****Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission:

\$0.005629 *per kWh*

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC. (See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV
2.259

Non-EHV
\$0.757000 *per kW / Month*

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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DIRECT ACCESS
RESIDENTIAL TIME-OF-USE SCHEDULE NO. 21 (FROZEN)

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Ancillary Services**Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, estimated rates are shown below.

Service:

System Control & Dispatch	\$0.000079 per kWh
Reactive Supply and Voltage Control	\$0.000310 per kWh
Regulation and Frequency Response	\$0.000300 per kWh
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.000814 per kWh
Supplemental Reserve Service	\$0.000133 per kWh

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

Service:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

Generation

Applicability: The following is the generation charge that is included in Standard Offer Service.

This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.

Generation

Summer Peak	\$0.081723 per kWh
Summer Off-Peak	\$0.004947 per kWh
Winter Peak	\$0.054791 per kWh
Winter Off-Peak	\$0.004947 per kWh

TUCSON ELECTRIC POWER COMPANY

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Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
RESIDENTIAL TIME-OF-USE SCHEDULE NO. 21 (FROZEN)

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

During the summer season, the On-Peak period is 10:00 a.m. to 10:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). During the winter season, the On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day). All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators; not billed to end-use customers).

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 21

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Revision No. _____

Effective: _____

DIRECT ACCESS
RESIDENTIAL TIME-OF-USE SCHEDULE NO. 21 (FROZEN)

RULES AND REGULATIONS

Service Connection Charges

1. There shall be a \$13.50 charge for the initial establishment of each new service for each Customer.
2. There shall be a \$13.50 charge for the re-establishment of each service for each Customer.

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

Optional rates are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the rate schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable rate schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, Company will assist in determining if a change in rates is desirable, but not more than one such change in rates will be made within any twelve month period.

Electric space heating and water heating equipment and installation shall conform to the Company's requirements.

*This Rate Schedule requires a type of meter that is not normally used; therefore, the Company makes no guarantee that meters will be installed within any specific time. However, the Company will make its best effort to install the special meter within a reasonable time.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 31Sheet No. 1 of 5

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DIRECT ACCESS
INTERRUPTIBLE AGRICULTURAL PUMPING SCHEDULE NO. 31

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Available for interruptible service to agricultural pumping customers throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

Applicable to separately metered interruptible agricultural water pumping service for irrigation purposes of the Customer only.

Not applicable to resale, breakdown, standby, auxiliary, or any other service except agricultural pumping in accordance with the provisions of this rate schedule.

CHARACTER OF SERVICE

Three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

RATE

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution

Applicability: Required for Direct Access Service.

Distribution Primary

Summer kWh

\$0.005723 *per kWh*

Winter kWh

\$0.005529 *per kWh*

Distribution Secondary (Applies to primary & secondary customers;
a primary discount may apply to primary customers.)

Summer kWh

\$0.003186 *per kWh*

Winter kWh

\$0.003106 *per kWh*

Customer Charge-Service Drop

Summer kWh

\$0.000310 *per kWh*

Winter kWh

\$0.000302 *per kWh*

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.005140 *per kWh*

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.011100 *per kWh*

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 31Sheet No. 2 of 5

Revision No. _____

Effective: _____

DIRECT ACCESS
INTERRUPTIBLE AGRICULTURAL PUMPING SCHEDULE NO. 31

Applicability: Required System Benefit Charge for Direct Access Service.

Summer kWh

\$0.000499 *per kWh*

Winter kWh

\$0.000487 *per kWh***Customer Information and Lifeline Discount**

Applicability: Required System Benefit Charge for Direct Access Service.

Summer kWh

\$0.000554 *per kWh*

Winter kWh

\$0.000540 *per kWh***Uncollectible Accounts**

Applicability: Required for Direct Access Service.

Summer kWh

\$0.000107 *per kWh*

Winter kWh

\$0.000105 *per kWh***Meter Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation

Summer

\$0.000199 *per kWh*

Winter

\$0.000194 *per kWh*

Maintenance

Summer

\$0.000040 *per kWh*

Winter

\$0.000039 *per kWh*

Equipment

Summer

\$0.000159 *per kWh*

Winter

\$0.000155 *per kWh***Meter Reading Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Summer

\$0.000089 *per kWh*

Winter

\$0.000087 *per kWh***Billing and Collection**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Summer

\$0.000332 *per kWh*

Winter

\$0.000324 *per kWh***Transmission****Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission:

\$0.007367 *per kWh*

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV
2.259Non-EHV
\$0.757000 *per kW / Month*

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 31Sheet No. 3 of 5

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Effective: _____

DIRECT ACCESS
INTERRUPTIBLE AGRICULTURAL PUMPING SCHEDULE NO. 31

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Ancillary Services**Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, estimated rates are shown below.

Service:

System Control & Dispatch	\$0.000103 per kWh
Reactive Supply and Voltage Control	\$0.000405 per kWh
Regulation and Frequency Response	\$0.000393 per kWh
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.001065 per kWh
Supplemental Reserve Service	\$0.000174 per kWh

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.
(See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

Service:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

Generation

Applicability: The following is the generation charge that is included in Standard Offer Service.

This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.

Summer	\$0.016605 per kWh
Winter	\$0.015767 per kWh

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Revision No. _____

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DIRECT ACCESS
INTERRUPTIBLE AGRICULTURAL PUMPING SCHEDULE NO. 31

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

Minimum Bill - The Customer guarantees that its load shall be sufficient such that a summation of all the above payments shall be not less than \$30.00 per hp connected and in no event less than \$1,800.00.

Minimum payments at the rate of \$2.50 per hp of motors connected, but not less than \$150.00 shall be made monthly. If during the contract year (which shall be from April 1 to March 31 of the following year) the total payments exceed the annual guarantee of \$30.00 per hp connected but not less than \$1,800.00, then the Customer shall be credited the difference between the amount actually paid during the contract year and the amount which would have been paid had the monthly minimum charge not been applied.

DETERMINATION OF HORSEPOWER FOR BILLING

Horsepower connected shall be the manufacturer's nameplate rating of all equipment of Customer connected for service under this schedule, but not less than 60 hp.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators; not billed to end-use customers).

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 31

Sheet No. 5 of 5

Revision No.

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DIRECT ACCESS
INTERRUPTIBLE AGRICULTURAL PUMPING SCHEDULE NO. 31

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TERMS AND CONDITIONS OF SERVICE

1. Customer must furnish, install, own, and maintain at each point of delivery all necessary Company approved equipment which will enable the Company to interrupt service with its master control station.
2. Service may be interrupted by Company during certain periods of the day not exceeding six hours in any 24-hour period.
3. Company will endeavor to give customer one hour notice of impending interruption; however, service may be interrupted without notice should Company deem such action necessary.
4. Where service other than agricultural pumping to which this rate is applicable has been taken hereunder, the general service rate shall be applied on a monthly basis to all usage billed hereunder during the previous twelve months less the aggregate of payments made hereunder for the same period of time. The general service rate shall continue to apply until the unauthorized service is permanently separated from the agricultural pumping service.
5. Company shall not be liable for any loss or damage caused by or resulting from any interruption of service.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

The Company may require a written contract.

Optional rates are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the rate schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable rate schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, Company will assist in determining if a change in rates is desirable, but not more than one such change in rates will be made within any twelve month period.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 40Sheet No. 1 of 4

Revision No. _____

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DIRECT ACCESS
MUNICIPAL SERVICE SCHEDULE NO. 40

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Available for Municipal Service where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

Applicable for service to the City of Tucson and City of South Tucson for Municipal buildings and grounds.

Not applicable to resale, breakdown, standby, or auxiliary service or to buildings used for residential purposes.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, at secondary voltage and subject to availability at point of delivery approved by the Company.

RATE

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution

Applicability: Required for Direct Access Service.

Distribution Primary

Summer kWh

\$0.007918 per kWh

Winter kWh

\$0.007412 per kWh

Distribution Secondary (Applies to primary & secondary customers;
a primary discount may apply to primary customers.

Summer kWh

\$0.004194 per kWh

Winter kWh

\$0.003984 per kWh

Customer Charge-Service Drop

Summer kWh

\$0.000169 per kWh

Winter kWh

\$0.000160 per kWh

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.005140 per kWh

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.011100 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access Service.

Summer kWh

\$0.000671 per kWh

Winter kWh

\$0.000637 per kWh

Customer Information and Lifeline Discount

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 40Sheet No. 2 of 4

Revision No. _____

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DIRECT ACCESS
MUNICIPAL SERVICE SCHEDULE NO. 40

Applicability: Required System Benefit Charge for Direct Access Service.

Summer kWh

\$0.000744 *per kWh*

Winter kWh

\$0.000707 *per kWh***Uncollectible Accounts**

Applicability: Required for Direct Access Service.

Summer kWh

\$0.000144 *per kWh*

Winter kWh

\$0.000137 *per kWh***Meter Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation

Summer

\$0.000261 *per kWh*

Winter

\$0.000248 *per kWh*

Maintenance

Summer

\$0.000052 *per kWh*

Winter

\$0.000050 *per kWh*

Equipment

Summer

\$0.000209 *per kWh*

Winter

\$0.000198 *per kWh***Meter Reading Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Summer

\$0.000049 *per kWh*

Winter

\$0.000046 *per kWh***Billing and Collection**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Summer

\$0.000181 *per kWh*

Winter

\$0.000172 *per kWh***Transmission****Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission:

\$0.007367 *per kWh*

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV
2.259Non-EHV
\$0.757000 *per kW / Month*

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Ancillary Services**Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 40Sheet No. 3 of 4

Revision No. _____

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DIRECT ACCESS
MUNICIPAL SERVICE SCHEDULE NO. 40

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, estimated rates are shown below.

Service:

System Control & Dispatch	\$0.000103 per kWh
Reactive Supply and Voltage Control	\$0.000405 per kWh
Regulation and Frequency Response	\$0.000393 per kWh
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.001065 per kWh
Supplemental Reserve Service	\$0.000174 per kWh

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

Service:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

Generation

Applicability: The following is the generation charge that is included in Standard Offer Service.

This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.

Summer	\$0.043041 per kWh
Winter	\$0.040056 per kWh

Summer billing months are May through October and winter billing months are November through April.

Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 40

Sheet No. 4 of 4

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DIRECT ACCESS
MUNICIPAL SERVICE SCHEDULE NO. 40

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators; not billed to end-use customers).

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

The Company may require a written contract.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 41Sheet No. 1 of 4Revision No. Effective:

DIRECT ACCESS
TRAFFIC SIGNAL AND STREET LIGHTING SCHEDULE NO. 41

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Available for service to the State, a county, city, town, political subdivision, improvement district, or a responsible person or persons for unincorporated communities for Traffic Signal and Street Lighting purposes where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

Applicable to Customer owned and maintained traffic signals and public street and highway lighting.

Not applicable to resale, breakdown, standby, or auxiliary service.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery approved by the Company.

RATE

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution

Applicability: Required for Direct Access Service.

Distribution Primary
kWh

\$0.022451 per kWh

Distribution Secondary (Applies to primary & secondary customers;
a primary discount may apply to primary customers.
kWh

\$0.009475 per kWh

Customer Charge-Service Drop

\$0.004364 per kWh

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.004320 per kWh

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.009300 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access Service.

kWh

\$0.000510 per kWh

Customer Information and Lifeline Discount

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 41Sheet No. 2 of 4

Revision No. _____

Effective: _____

DIRECT ACCESS
TRAFFIC SIGNAL AND STREET LIGHTING SCHEDULE NO. 41

Applicability: Required System Benefit Charge for Direct Access Service.
kWh

\$0.000566 per kWh

Uncollectible Accounts

Applicability: Required for Direct Access Service.
kWh

\$0.000110 per kWh

Meter Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation
Maintenance
Equipment
Subtotal

\$0.000000 per kWh
\$0.000000 per kWh
\$0.000000 per kWh
\$0.000000 per kWh

Meter Reading Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$0.000000 per kWh

Billing and Collection

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$0.001090 per kWh

Transmission**Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission:

\$0.002901 per kWh

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV
2.259

Non-EHV
\$0.757000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Ancillary Services**Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, estimated rates are shown below.

Service:

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
TRAFFIC SIGNAL AND STREET LIGHTING SCHEDULE NO. 41

System Control & Dispatch	\$0.000103 per kWh
Reactive Supply and Voltage Control	\$0.000405 per kWh
Regulation and Frequency Response	\$0.000393 per kWh
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.001065 per kWh
Supplemental Reserve Service	\$0.000174 per kWh

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

Service:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

Generation

Applicability: The following is the generation charge that is included in Standard Offer Service.

This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.

All kWh

\$0.013103 per kWh

Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

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DIRECT ACCESS
TRAFFIC SIGNAL AND STREET LIGHTING SCHEDULE NO. 41

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators; not billed to end-use customers).

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

The Company may require a written contract.

Where the Customer's utilization equipment is operated on a fixed schedule and can be readily and efficiently inspected by the Company to verify its demand and/or kWh usage, the Company may supply unmetered service under this Rate Schedule upon the basis of the demand and/or kWh usage determined by the Company. The Company reserves the right at any time to meter service previously supplied on an unmetered basis. The Customer will be responsible for notifying the Company of any changes being made in the equipment connected to the system. The determined demand and/or kWh usage will be adjusted as equipment is changed.

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DIRECT ACCESS
MUNICIPAL WATER PUMPING SCHEDULE NO. 43

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Available for service to the City of Tucson Water Utility and private water Companies where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

Applicable for service to booster stations and wells used for domestic water supply.

Not applicable to resale, breakdown, standby, or auxiliary service.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as elected by Customer and subject to availability at point of delivery approved by the Company. Primary metering may be used by mutual agreement.

RATE

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Firm Service:**Distribution**

Applicability: Required for Direct Access Service.

Distribution Primary

Summer kWh

\$0.004758 per kWh

Winter kWh

\$0.004410 per kWh

Distribution Secondary (Applies to primary & secondary customers;
a primary discount may apply to primary customers.

Summer kWh

\$0.002884 per kWh

Winter kWh

\$0.002740 per kWh

Customer Charge-Service Drop

Summer kWh

\$0.000154 per kWh

Winter kWh

\$0.000146 per kWh

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.005140 per kWh

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.011100 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access Service.

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Tucson, Arizona

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DIRECT ACCESS
MUNICIPAL WATER PUMPING SCHEDULE NO. 43

Summer kWh	\$0.000611 per kWh
Winter kWh	\$0.000581 per kWh

Customer Information and Lifeline Discount

Applicability: Required System Benefit Charge for Direct Access Service.

Summer kWh	\$0.000678 per kWh
Winter kWh	\$0.000644 per kWh

Uncollectible Accounts

Applicability: Required for Direct Access Service.

Summer kWh	\$0.000131 per kWh
Winter kWh	\$0.000125 per kWh

Meter Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation	
Summer	\$0.000238 per kWh
Winter	\$0.000226 per kWh

Maintenance	
Summer	\$0.000048 per kWh
Winter	\$0.000045 per kWh

Equipment	
Summer	\$0.000190 per kWh
Winter	\$0.000181 per kWh

Meter Reading Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Summer	\$0.000044 per kWh
Winter	\$0.000042 per kWh

Billing and Collection

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Summer	\$0.000165 per kWh
Winter	\$0.000157 per kWh

Transmission**Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission:	\$0.007367 per kWh
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Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.
(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV	Non-EHV
2.259	\$0.757000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

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DIRECT ACCESS
MUNICIPAL WATER PUMPING SCHEDULE NO. 43

Ancillary Services**Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

Service:

System Control & Dispatch	\$0.000103 per kWh
Reactive Supply and Voltage Control	\$0.000405 per kWh
Regulation and Frequency Response	\$0.000393 per kWh
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.001065 per kWh
Supplemental Reserve Service	\$0.000174 per kWh

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

Service:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

Generation

Applicability: The following is the generation charge that is included in Standard Offer Service.

This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.

Summer	\$0.048408 per kWh
Winter	\$0.045156 per kWh

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DIRECT ACCESS
MUNICIPAL WATER PUMPING SCHEDULE NO. 43

Interruptible Service:**Distribution**

Applicability: Required for Direct Access Service.

Distribution Primary

Summer kWh

\$0.004884 per kWh

Winter kWh

\$0.004706 per kWh

Distribution Secondary (Applies to primary & secondary customers;
a primary discount may apply to primary customers.)

Summer kWh

\$0.002936 per kWh

Winter kWh

\$0.002862 per kWh

Customer Charge-Service Drop

Summer kWh

\$0.000157 per kWh

Winter kWh

\$0.000153 per kWh

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.005140 per kWh

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.011100 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access Service.

Summer kWh

\$0.000623 per kWh

Winter kWh

\$0.000607 per kWh

Customer Information and Lifeline Discount

Applicability: Required System Benefit Charge for Direct Access Service.

Summer kWh

\$0.000690 per kWh

Winter kWh

\$0.000673 per kWh

Uncollectible Accounts

Applicability: Required for Direct Access Service.

Summer kWh

\$0.000134 per kWh

Winter kWh

\$0.000130 per kWh

Meter Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation

Summer

\$0.000242 per kWh

Winter

\$0.000236 per kWh

Maintenance

Summer

\$0.000048 per kWh

Winter

\$0.000047 per kWh

Equipment

Summer

\$0.000193 per kWh

Winter

\$0.000189 per kWh

Meter Reading Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

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Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
MUNICIPAL WATER PUMPING SCHEDULE NO. 43

Summer

\$0.000045 per kWh

Winter

\$0.000044 per kWh

Billing and Collection

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Summer

\$0.000168 per kWh

Winter

\$0.000164 per kWh

Transmission**Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission:

\$0.007367 per kWh

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV
2.259Non-EHV
\$0.757000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Ancillary Services**Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, estimated rates are shown below.

Service:

System Control & Dispatch

\$0.000103 per kWh

Reactive Supply and Voltage Control

\$0.000405 per kWh

Regulation and Frequency Response

\$0.000393 per kWh

Energy Imbalance Service

(see note)

Spinning Reserve Service

\$0.001065 per kWh

Supplemental Reserve Service

\$0.000174 per kWh

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

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DIRECT ACCESS
MUNICIPAL WATER PUMPING SCHEDULE NO. 43

Service:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

Generation*Applicability: The following is the generation charge that is included in Standard Offer Service.**This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.*

Summer	\$0.016472 per kWh
Winter	\$0.015641 per kWh

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

Primary Voltage Discount

A discount of 5% will be allowed from the above rates where Customer owns the transformers and service is metered at primary voltage.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price

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MUNICIPAL WATER PUMPING SCHEDULE NO. 43

will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators; not billed to end-use customers).

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TERMS AND CONDITIONS OF INTERRUPTIBLE SERVICE

1. Customer must furnish, install, own, and maintain at each point of delivery all necessary Company approved equipment which will enable the Company to interrupt service with its master control station.
2. Service may be interrupted by Company during certain periods of the day not exceeding six hours in any 24-hour period.
3. Company will endeavor to give Customer one hour notice of impending interruption; however, service may be interrupted without notice should Company deem such action necessary.
4. The interruptible load shall be separately served and metered and shall at no time be connected to facilities serving Customer's firm load. Conversely, the firm load shall be separately served and metered and shall at no time be connected to facilities serving Customer's interruptible load.
5. Company shall not be liable for any loss or damage caused by or resulting from any interruption of service.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

The Company may require a written contract.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Effective: _____

DIRECT ACCESS
PUBLIC STREET LIGHTING SCHEDULE NO. 50

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit -- Rider No. 5.

AVAILABILITY

Available for service for lighting public streets, alleys, thoroughfares, public parks, and playgrounds by use of Company's standard facilities where such service is contracted under this rate schedule by the state, a county, city, town, political subdivision, improvement district, or a responsible person or persons for unincorporated communities.

APPLICABILITY

Applicable to street lighting service from dusk to dawn and Company will own, operate, and maintain the street light system including lamps and globe replacements.

CHARACTER OF SERVICE

Multiple or series street lighting system at option of Company and at one standard nominal voltage.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

	100 W OH	250 W OH	400 W OH	Pole Add	100 W UG
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Distribution

Applicability: Required for Direct Access Service.

Distribution Primary

per Cust. Mo.

\$6.829507 per Cust. Mo.

\$4.010000

\$8.405576

\$5.445799

\$3.611763

Distribution Secondary (Applies to primary & secondary customers;

a primary discount may apply to primary customers.

per Cust. Mo.

\$2.979097 per Cust. Mo.

\$0.000000

\$3.640054

\$2.359193

\$1.570971

Customer Charge-Service Drop

Fixed Must-Run

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Effective: _____

DIRECT ACCESS PUBLIC STREET LIGHTING SCHEDULE NO. 50

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.118260 \$0.295650 \$0.473040 \$0.000000 \$0.118260 per Cust. Mo.

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.254588 \$0.636469 \$1.018350 \$0.000000 \$0.254588 per Cust. Mo.

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this

Tariff.

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access

Service.

per Cust. Mo.

\$0.084579 \$0.127015 \$0.195975 \$0.000000 \$0.160390 per Cust. Mo.

Customer Information and Lifeline Discount

Applicability: Required System Benefit Charge for Direct Access

Service.

per Cust. Mo.

\$0.093773 \$0.140822 \$0.217278 \$0.000000 \$0.177825 per Cust. Mo.

Uncollectible Accounts

Applicability: Required for Direct Access Service.

per Cust. Mo.

\$0.018179 \$0.027301 \$0.042123 \$0.000000 \$0.034474 per Cust. Mo.

Meter Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation

Maintenance

Equipment

Subtotal

\$0.000000 \$0.000000 \$0.000000 \$0.000000 \$0.000000 per Cust. Mo.
\$0.000000 \$0.000000 \$0.000000 \$0.000000 \$0.000000 per Cust. Mo.
\$0.000000 \$0.000000 \$0.000000 \$0.000000 \$0.000000 per Cust. Mo.

Meter Reading Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$0.000000 \$0.000000 \$0.000000 \$0.000000 \$0.000000 per Cust. Mo.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 50

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Effective: _____

DIRECT ACCESS
PUBLIC STREET LIGHTING SCHEDULE NO. 50

Billing and Collection

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$0.180658 \$0.271302 \$0.418598 \$0.000000 \$0.342589 per Cust. Mo.

Transmission

Group "A" : For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No.

5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are

based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission; converted to per customer month basis:

\$0.079424 \$0.198560 \$0.317697 \$0.000000 \$0.079424 per Cust. Mo.

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV	Non-EHV
2.259	\$0.757000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Ancillary Services

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 50

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DIRECT ACCESS
PUBLIC STREET LIGHTING SCHEDULE NO. 50

Group "A": For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No.

5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

Service:

System Control & Dispatch
Reactive Supply and Voltage Control
Regulation and Frequency Response
Energy Imbalance Service
Spinning Reserve Service
Supplemental Reserve Service

\$0.002826	\$0.007066	\$0.011305	\$0.002826
\$0.011098	\$0.027746	\$0.044393	\$0.011098
\$0.010754	\$0.026884	\$0.043015	\$0.010754
\$0.029159	\$0.072898	\$0.116636	\$0.029159
\$0.004756	\$0.011891	\$0.019026	\$0.004756

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B": For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.
(See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

Service:

TUCSON ELECTRIC POWER COMPANY
Tucson, Arizona
Filed by: Steven J. Glaser
Title: Vice President, Rates & Regulatory Support
District: Entire Electric Service Area

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DIRECT ACCESS
PUBLIC STREET LIGHTING SCHEDULE NO. 50

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:
Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

Generation
Applicability: *The following is the generation charge that is included in Standard Offer Service.*
This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.

per Cust. Mo.	\$4.237996	\$5.956655	\$9.132382	\$0.000000	\$8.402786 per Cust. Mo.
---------------	------------	------------	------------	------------	--------------------------

Summer billing months are May through October and winter billing months are November through April. Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
PUBLIC STREET LIGHTING SCHEDULE NO. 50

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators, not billed to end-use customers).

STANDARD LAMP UNITS, OVERHEAD SERVICE

1. The standard 100 watt lamp unit for overhead service is a 9,500 lumen high pressure sodium unit, mounted on a four foot mast arm and controlled by a photoelectric cell. This unit will be mounted on a pole approximately 25 feet above ground level.
2. The standard 250 watt lamp unit for overhead service is a 27,500 lumen high pressure sodium unit, mounted on an eight foot mast arm and controlled by a photoelectric cell. This unit will be mounted on a pole approximately 27 feet above ground level.
3. The standard 400 watt lamp unit for overhead service is a 50,000 lumen high pressure sodium unit, mounted on an eighteen foot mast arm and controlled by a photoelectric cell. This unit will be mounted on a pole approximately 35 feet above ground level.
4. The standard 100 watt lamp unit for underground service is a 9,500 lumen high pressure sodium post top unit mounted on a pole approximately 15 feet above ground level.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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District: Entire Electric Service Area

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DIRECT ACCESS
PUBLIC STREET LIGHTING SCHEDULE NO. 50

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may be in the future assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

SPECIAL PROVISIONS

1. Installation of a light on an existing pole is subject to prior approval of Company.
2. Extensions beyond 100 feet and all installations other than those addressed in this rate schedule, will require specific agreements providing adequate revenue or arrangements for construction financing.
3. The Customer is not authorized to make connections to this lighting circuit or to make attachments or alterations to the Company owned pole.
4. If a Customer requests a relocation of a lighting installation, the costs of such relocation must be borne by the Customer.
5. The Customer is expected to notify the Company when lamp outages occur.
6. The Company will use diligence in maintaining service; however, monthly bills will not be reduced because of lamp outages.
7. After the minimum contract period, if any, has expired, this agreement shall be extended from year to year unless written notice of desire to terminate is given by either party at least thirty (30) days prior to the end of any such annual extension date.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule. Any condition not provided for herein must be the subject of a separate written agreement.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 51

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DIRECT ACCESS
PRIVATE STREET AND AREA LIGHTING SCHEDULE NO. 51

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit -- Rider No. 5.

AVAILABILITY

At any point where the Company in its judgment has facilities of adequate capacity and suitable voltage available.

APPLICABILITY

To any Customer for private street or outdoor area lighting where this service can be supplied from existing facilities of the Company.

Service is from dusk to dawn and the Company will install, own, operate, and maintain the complete lighting installation including lamp replacements.

Not applicable to resale service.

CHARACTER OF SERVICE

Multiple or series street lighting system at option of Company and at one standard nominal voltage.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

	100 W OH	250 W OH	400 W OH	Pole Add	100 W UG
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Distribution

Applicability: Required for Direct Access Service.

Distribution Primary

per Cust. Mo.

\$3.611763	\$5.445799	\$8.405576	\$4.010000	\$6.829507 per Cust. Mo.
------------	------------	------------	------------	--------------------------

Distribution Secondary (Applies to primary & secondary customers; a primary discount may apply to primary customers.

per Cust. Mo.

\$1.570971	\$2.359193	\$3.640054	\$0.000000	\$2.979097 per Cust. Mo.
------------	------------	------------	------------	--------------------------

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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District: Entire Electric Service Area

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DIRECT ACCESS
PRIVATE STREET AND AREA LIGHTING SCHEDULE NO. 51

Customer Charge-Service Drop

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.118260	\$0.295650	\$0.473040	\$0.000000	\$0.118260 per Cust. Mo.
------------	------------	------------	------------	--------------------------

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.254588	\$0.636469	\$1.018350	\$0.000000	\$0.254588 per Cust. Mo.
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Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this

Tariff.

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access

Service.

per Cust. Mo.

\$0.084579	\$0.127015	\$0.195975	\$0.000000	\$0.160390 per Cust. Mo.
------------	------------	------------	------------	--------------------------

Customer Information and Lifeline Discount

Applicability: Required System Benefit Charge for Direct Access

Service.

per Cust. Mo.

\$0.093773	\$0.140822	\$0.217278	\$0.000000	\$0.177825 per Cust. Mo.
------------	------------	------------	------------	--------------------------

Uncollectible Accounts

Applicability: Required for Direct Access Service.

per Cust. Mo.

\$0.018179	\$0.027301	\$0.042123	\$0.000000	\$0.034474 per Cust. Mo.
------------	------------	------------	------------	--------------------------

Meter Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation

Maintenance

Equipment

Subtotal

\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000 per Cust. Mo.
\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000 per Cust. Mo.
\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000 per Cust. Mo.
\$0.000000	\$0.000000	\$0.000000	\$0.000000	\$0.000000 per Cust. Mo.

Meter Reading Services

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 51
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DIRECT ACCESS PRIVATE STREET AND AREA LIGHTING SCHEDULE NO. 51

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:	\$0.000000	\$0.000000	\$0.000000	\$0.000000 per Cust. Mo.
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Billing and Collection

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:	\$0.180658	\$0.271302	\$0.418598	\$0.000000	\$0.342589 per Cust. Mo.
-------------------	------------	------------	------------	------------	--------------------------

Transmission

Group "A" : For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No.

5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission; converted to per customer month basis:	\$0.079424	\$0.198560	\$0.317697	\$0.000000	\$0.079424 per Cust. Mo.
--	------------	------------	------------	------------	--------------------------

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV	Non-EHV
2.259	\$0.757000 per kW / Month

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
PRIVATE STREET AND AREA LIGHTING SCHEDULE NO. 51

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Ancillary Services

Group "A": For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No.

5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

Service:

System Control & Dispatch	\$0.002826	\$0.007066	\$0.011305	\$0.002826 per Cust. Mo.
Reactive Supply and Voltage Control	\$0.011098	\$0.027746	\$0.044393	\$0.011098 per Cust. Mo.
Regulation and Frequency Response	\$0.010754	\$0.026884	\$0.043015	\$0.010754 per Cust. Mo.
Energy Imbalance Service				per Cust. Mo.
Spinning Reserve Service	\$0.029159	\$0.072898	\$0.116636	\$0.029159 per Cust. Mo.
Supplemental Reserve Service	\$0.004756	\$0.011891	\$0.019026	\$0.004756 per Cust. Mo.

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B": For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.
(See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

TUCSON ELECTRIC POWER COMPANY
Tucson, Arizona
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District: Entire Electric Service Area

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DIRECT ACCESS
PRIVATE STREET AND AREA LIGHTING SCHEDULE NO. 51

Service:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

Generation

Applicability: The following is the generation charge that is included in Standard Offer Service.

This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.

per Cust. Mo.	\$4.237996	\$5.956655	\$9.132382	\$0.000000	\$8.402786 per Cust. Mo.
---------------	------------	------------	------------	------------	--------------------------

Summer billing months are May through October and winter billing months are November through April.
Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

ADDITIONAL NOTES

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
PRIVATE STREET AND AREA LIGHTING SCHEDULE NO. 51

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators; not billed to end-use customers).

STANDARD LAMP UNITS

1. The standard 100 watt lamp unit for overhead service is a 9,500 lumen high pressure sodium unit, mounted on a four foot mast arm and controlled by a photoelectric cell. The unit will be mounted on a pole approximately 20 feet above ground level.
2. The standard 250 watt lamp unit for overhead service is a 27,500 lumen high pressure sodium unit, mounted on an eight foot mast arm and controlled by a photoelectric cell. This unit will be mounted on a pole approximately 27 feet above ground level.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
PRIVATE STREET AND AREA LIGHTING SCHEDULE NO. 51

3. The standard 400 watt lamp unit for overhead service is a 50,000 lumen high pressure sodium unit, mounted on an eighteen foot mast arm and controlled by a photoelectric cell. This unit will be mounted on a pole approximately 35 feet above ground level.
4. The standard 100 watt lamp unit for underground service is a 9,500 lumen high pressure sodium post top unit mounted on a pole approximately 15 feet above ground level.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may be in the future assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

SPECIAL PROVISIONS

1. Installation of a light on an existing pole is subject to prior approval of Company.
2. Extensions beyond 100 feet and all installations other than those addressed in this rate schedule will require specific agreements providing adequate revenue or arrangements for construction financing.
3. The Customer is not authorized to make connections to this lighting circuit or to make attachments or alterations to the Company owned pole.
4. If a Customer requests a relocation of a lighting installation, the costs of such relocation must be borne by the Customer.
5. The Customer is expected to notify the Company when lamp outages occur.
6. The Company will use diligence in maintaining service; however, monthly bills will not be reduced because of lamp outages.
7. The Customer may cancel a lighting service agreement by payment of the monthly bill, including any applicable tax adjustment, multiplied by the number of remaining months of the initial agreement, or the calculated "up and down" costs for the extension, whichever is lower.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Effective:

DIRECT ACCESS
PRIVATE STREET AND AREA LIGHTING SCHEDULE NO. 51

CONTRACT PERIOD

All private Street and Area Lighting installations will require a standard Customer agreement for service as follows:

1. Three (3) year initial term for installation on existing facilities.
2. Four (4) year initial term or longer, at the Company's option, for installations requiring an extension of facilities.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule. Any condition not provided for herein must be the subject of a separate written agreement.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 70

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Revision No. _____

Effective: _____

DIRECT ACCESS
RESIDENTIAL TIME-OF-USE SCHEDULE NO. 70

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit -- Rider No. 5.

AVAILABILITY

Throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises. Direct access to the meter during normal working hours is also a prerequisite for this rate schedule.

APPLICABILITY

To any Customer entitled to single phase service under Rate No. 01. Service is available to individual private dwellings and individually metered multi-family units when all service is supplied at one point of delivery and energy is metered through one meter; however, controlled off-peak electric water heating may be metered separately.

Not applicable to three phase service, resale, breakdown, temporary, standby, or auxiliary service, or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

Service under this schedule will commence when the appropriate meter has been installed.* Customers must stay on this Rate Schedule for a minimum period of one (1) year. A Customer, at his/her discretion and after being served for a twelve (12) month period under Rate No. 70, may opt to switch service to the Company's non-time-of-use Residential Rate No. 1. The Company shall refund to the Customer any excess moneys paid in total over the entire twelve months under Rate No. 70 that would not have been paid under Rate No. 1. A Customer shall be eligible to receive such a refund of excess moneys on a single occasion only.

CHARACTER OF SERVICE

Single phase, 60 Hertz, nominal 120/240 volts.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution

Applicability: Required for Direct Access Service.

Distribution Primary

kWh

\$0.016388 per kWh

Distribution Secondary (Applies to primary & secondary customers;

a primary discount may apply to primary customers.

kWh

\$0.007091 per kWh

Customer Charge-Service Drop

\$2.685628 per customer month

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.004320 per kWh

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.009300 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 70Sheet No. 2 of 5

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See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side ManagementApplicability: Required System Benefit Charge for Direct Access Service.
kWh

\$0.000617 per kWh

Customer Information and Lifeline DiscountApplicability: Required System Benefit Charge for Direct Access Service.
kWh

\$0.000684 per kWh

Uncollectible AccountsApplicability: Required for Direct Access Service.
kWh

\$0.000133 per kWh

Meter Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation	\$1.360543 per customer month
Maintenance	\$0.272109 per customer month
Equipment	\$1.088434 per customer month
Subtotal	\$2.721086 per customer month

Meter Reading Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service: \$0.513286 per customer month

Billing and Collection

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service: \$1.000000 per customer month

Transmission**Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission: \$0.005629 per kWh

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV	Non-EHV
2.259	\$0.757000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Ancillary Services**Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, estimated rates are shown below.

TUCSON ELECTRIC POWER COMPANY

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Service:

System Control & Dispatch	\$0.000079 per kWh
Reactive Supply and Voltage Control	\$0.000310 per kWh
Regulation and Frequency Response	\$0.000300 per kWh
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.000814 per kWh
Supplemental Reserve Service	\$0.000133 per kWh

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

Service:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

Generation

Applicability: The following is the generation charge that is included in Standard Offer Service.

This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.

Generation

Summer Peak	\$0.141673 per kWh
Summer Shoulder	\$0.072443 per kWh
Summer Off-Peak	\$0.013103 per kWh
Winter Peak	\$0.082333 per kWh
Winter Off-Peak	-\$0.001732 per kWh

Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

The Company has the option to price service in the billing months of May and October at lower levels, which levels shall not be less than marginal cost. Any shoulder consumption remaining from October usage will be billed at the summer shoulder rate in following billing months.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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Summer billing months are May through October and winter billing months are November through April.

The summer On-Peak period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day). All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators; not billed to end-use customers).

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
RESIDENTIAL TIME-OF-USE SCHEDULE NO. 70

RULES AND REGULATIONS

Service Connection Charges

1. There shall be a \$13.50 charge for the initial establishment of each new service for each Customer.
2. There shall be a \$13.50 charge for the re-establishment of each service for each Customer.

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.

Optional rates are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the rate schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable rate schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, Company will assist in determining if a change in rates is desirable, but not more than one such change in rates will be made within any twelve month period.

Electric space heating and water heating equipment and installation shall conform to the Company's requirements.

*This Rate Schedule requires a type of meter that is not normally used; therefore, the Company makes no guarantee that meters will be installed within any specific time. However, the Company will make its best effort to install the special meter within a reasonable time.

TUCSON ELECTRIC POWER COMPANY
Tucson, Arizona
Filed by: Steven J. Glaser
Title: Vice President, Rates & Regulatory Support
District: Entire Electric Service Area

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Effective: _____

DIRECT ACCESS
GENERAL SERVICE TIME-OF-USE SCHEDULE NO. 76

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises. Direct access to the meter during normal working hours is also a prerequisite for this Schedule. Service hereunder shall be limited to either an aggregate customer total of 30 MW or an aggregate customer total of 130,000,000 kWh annually, whichever total is reached first.

APPLICABILITY

To any Customer entitled to service under Price Schedule No. 10. Service under this Schedule will commence when the appropriate meter has been installed.* Also applicable to ESA (special contract) customers who take direct access service after the expiration of their contracts.

Customers must stay on this Schedule for a minimum period of one (1) year. A Customer, at his/her discretion and after being served for a twelve (12) month period under Price Schedule No. 76, may opt to switch service to the Company's non-time-of-use General Service Price Schedule No. 10. The Company shall refund to the Customer any excess moneys paid in total over the entire twelve months under Price Schedule No. 76 that would not have been paid under Price Schedule No. 10. A Customer shall be eligible to receive such a refund of excess moneys on a single occasion only.

Not applicable to resale, breakdown, standby, or auxiliary service.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

Single Phase Service

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution

Applicability: Required for Direct Access Service.

Distribution Primary
kWh

\$0.014301 per kWh

Distribution Secondary (Applies to primary & secondary customers;
a primary discount may apply to primary customers.
kWh

\$0.006724 per kWh

Customer Charge-Service Drop

\$2.685628 per customer month

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.005140 per kWh

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.011100 per kWh

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access Service.

kWh

\$1.000000 per kWh

Customer Information and Lifeline Discount

Applicability: Required System Benefit Charge for Direct Access Service.

kWh

\$0.000693 per kWh

Uncollectible Accounts

Applicability: Required for Direct Access Service.

kWh

\$0.000134 per kWh

Meter Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation

\$1.360543 per customer month

Maintenance

\$0.272109 per customer month

Equipment

\$1.088434 per customer month

Subtotal

\$2.721086 per customer month

Meter Reading Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$0.513286 per customer month

Billing and Collection

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$1.000000 per customer month

Transmission**Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit – Rider No. 5

will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based

on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission:

\$0.007367 per kWh

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV
2.259Non-EHV
\$0.757000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Ancillary Services

Group "A" : For customers under 20 kW and not demand metered.

TUCSON ELECTRIC POWER COMPANY

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Applicability: Required for Direct Access Service, but not purchased directly by the customer.
Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, estimated rates are shown below.

Service:

System Control & Dispatch	\$0.000103 per kWh
Reactive Supply and Voltage Control	\$0.000405 per kWh
Regulation and Frequency Response	\$0.000393 per kWh
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.001065 per kWh
Supplemental Reserve Service	\$0.000174 per kWh

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.
Sold to scheduling coordinator pursuant to the Company's FERC OATT.
The following OATT rates are shown below for information and for calculation of the floating CTC.
(See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

Service:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

Generation

Applicability: The following is the generation charge that is included in Standard Offer Service.
This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.

Generation

Summer Peak	\$0.178772 per kWh
Summer Shoulder	\$0.094707 per kWh
Summer Off-Peak	\$0.020532 per kWh

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Tucson, Arizona

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<i>Winter Peak</i>	<i>\$0.104597 per kWh</i>
<i>Winter Off-Peak</i>	<i>\$0.005697 per kWh</i>

Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

Three Phase Service

Same as Single Phase Service, except three phase service is subject to the following additional charges:

Note:

There is a 3 phase differential of: \$7.50 per customer month

Its components are:

Customer Charge-Service Drop \$1.00 per customer month

Meter Services

Installation \$0.81 per customer month

Maintenance \$0.81 per customer month

Equipment \$4.88 per customer month

Subtotal \$6.50 per customer month

The Company has the option to price service in the billing months of May and October at lower levels, which levels shall not be less than marginal cost. Any shoulder consumption remaining from October usage will be billed at the summer shoulder price in following billing months.

Summer billing months are May through October and winter billing months are November through April.

The summer On-Peak period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day). All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

ADJUSTMENT FOR TRANSFORMER OWNERSHIP AND METERING

1. When Company owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 10.3¢ per kW per month of the billing demand each month.
2. When Customer owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above schedule subject to a discount of 20.6¢ per kW per month of the billing demand each month.
3. When Customer owns transformers and, at Company's option, energy is metered on secondary side of transformers, the demand shall be metered and the above schedule subject to a discount of 10.3¢ per kW per month of the billing demand each month.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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GENERAL SERVICE TIME-OF-USE SCHEDULE NO. 76

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill. For ESA customers who take direct access after the expiration of their contracts, the "customer's bundled rate" used in the calculation of the floating CTC will be the customer's ESA price as of May 1, 1999, (subject to any automatic escalation provisions contained in the ESA).

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators; not billed to end-use customers).

TAX CLAUSE

To the charges computed under the above prices, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

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Title: Vice President, Rates & Regulatory Support

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GENERAL SERVICE TIME-OF-USE SCHEDULE NO. 76

RULES AND REGULATIONS

Service Connection Charges

1. There shall be a \$13.50 charge for the initial establishment of each new service for each Customer.
2. There shall be a \$13.50 charge for the re-establishment of each service for each Customer.

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this Schedule.

The Company may require a written contract and a minimum term of contract.

Optional price schedules are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the price schedule best suited to the Customer's requirements, but the Company does not guarantee that Customers will be served under the most favorable price schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, Company will assist in determining if a change in price schedule is desirable, but not more than one such change in price schedule will be made within any twelve month period.

*This Schedule requires a type of meter not normally used; therefore, the Company makes no guarantee that the meters will be installed within any specific time. However, the Company will make its best effort to install the special meter within a reasonable time.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 85A

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DIRECT ACCESS
TIME-OF-USE LARGE GENERAL SERVICE SCHEDULE NO. 85A

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises. Service under this Schedule shall be limited to a total of 30 MW.

APPLICABILITY

To all general power and lighting service on an optional basis when all energy is supplied at one point of delivery and through one metered service. Customer shall contract for a demand of not less than 200 kW. Service under this Schedule shall commence when the appropriate meter has been installed.* Also applicable to ESA (special contract) customers who take direct access service after the expiration of their contracts.

Not applicable to resale, breakdown, standby, or auxiliary service.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering shall be required for new installations with service requirements in excess of 2,500 kW.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution

Applicability: Required for Direct Access Service.

Distribution Primary

kW on peak summer	\$0.841268 per kW
Excess kW shoulder summer	\$0.555720 per excess kW
Excess kW off peak summer	\$0.420634 per excess kW
kW on peak winter	\$0.555720 per kW
Excess kW off peak winter	\$0.277860 per excess kW
Summer kWh - Peak	\$0.009698 per kWh
Summer kWh - Off Peak	\$0.008819 per kWh
Summer kWh - Shoulder	\$0.009258 per kWh
Winter kWh - Peak	\$0.009258 per kWh
Winter kWh - Off Peak	\$0.008380 per kWh

Distribution Secondary (Applies to primary & secondary customers;
a primary discount may apply to primary customers.)

kW on peak summer	\$0.347037 per kW
Excess kW shoulder summer	\$0.229244 per excess kW
Excess kW off peak summer	\$0.173519 per excess kW

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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DIRECT ACCESS
TIME-OF-USE LARGE GENERAL SERVICE SCHEDULE NO. 85A

kW on peak winter	\$0.229244 per kW
Excess kW off peak winter	\$0.114622 per excess kW
Summer kWh - Peak	\$0.003217 per kWh
Summer kWh - Off Peak	\$0.002854 per kWh
Summer kWh - Shoulder	\$0.003035 per kWh
Winter kWh - Peak	\$0.003035 per kWh
Winter kWh - Off Peak	\$0.002673 per kWh

Customer Charge-Service Drop \$82.000000 per customer month

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.003600 per kWh**Fixed CTC**

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.007800 per kWh**Floating CTC**

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access Service.

kW on peak summer	\$0.054385 per kW
Excess kW shoulder summer	\$0.035925 per excess kW
Excess kW off peak summer	\$0.027192 per excess kW
kW on peak winter	\$0.035925 per kW
Excess kW off peak winter	\$0.017963 per excess kW
Summer kWh - Peak	\$0.000504 per kWh
Summer kWh - Off Peak	\$0.000447 per kWh
Summer kWh - Shoulder	\$0.000476 per kWh
Winter kWh - Peak	\$0.000476 per kWh
Winter kWh - Off Peak	\$0.000419 per kWh

Customer Information and Lifeline Discount

Applicability: Required System Benefit Charge for Direct Access Service.

kW on peak summer	\$0.060296 per kW
Excess kW shoulder summer	\$0.039830 per excess kW
Excess kW off peak summer	\$0.030148 per excess kW
kW on peak winter	\$0.039830 per kW
Excess kW off peak winter	\$0.019915 per excess kW
Summer kWh - Peak	\$0.000559 per kWh
Summer kWh - Off Peak	\$0.000496 per kWh
Summer kWh - Shoulder	\$0.000527 per kWh
Winter kWh - Peak	\$0.000527 per kWh
Winter kWh - Off Peak	\$0.000464 per kWh

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 85ASheet No. 3 of 6

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DIRECT ACCESS
TIME-OF-USE LARGE GENERAL SERVICE SCHEDULE NO. 85A

Uncollectible Accounts

Applicability: Required for Direct Access Service.

kW on peak summer	\$0.011689 per kW
Excess kW shoulder summer	\$0.007722 per excess kW
Excess kW off peak summer	\$0.005845 per excess kW
kW on peak winter	\$0.007722 per kW
Excess kW off peak winter	\$0.003861 per excess kW
Summer kWh - Peak	\$0.000108 per kWh
Summer kWh - Off Peak	\$0.000096 per kWh
Summer kWh - Shoulder	\$0.000102 per kWh
Winter kWh - Peak	\$0.000102 per kWh
Winter kWh - Off Peak	\$0.000090 per kWh

Meter Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation	\$1.500000 per customer month
Maintenance	\$1.500000 per customer month
Equipment	\$9.000000 per customer month
Subtotal	\$12.000000 per customer month

Meter Reading Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service: \$1.000000 per customer month

Billing and Collection

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service: \$5.000000 per customer month

Transmission

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV	Non-EHV
2.259	\$0.757000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Ancillary Services

Applicability: (See Transmission)

As of June 7, 1999, the charges are as follows:

Service:	Charge
System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 per kW / Month

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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Supplemental Reserve Service

\$0.069000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT.

This is subject to change pursuant to AISA protocols.

Generation*Applicability: The following is the generation charge that is included in Standard Offer Service.**This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.*

kW on peak summer	\$5.702605 per kW
Excess kW shoulder summer	\$3.766995 per excess kW
Excess kW off peak summer	\$2.851302 per excess kW
kW on peak winter	\$3.766995 per kW
Excess kW off peak winter	\$1.883497 per excess kW
Summer kWh - Peak	\$0.040857 per kWh
Summer kWh - Off Peak	\$0.034901 per kWh
Summer kWh - Shoulder	\$0.037879 per kWh
Winter kWh - Peak	\$0.037879 per kWh
Winter kWh - Off Peak	\$0.031923 per kWh

Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

Additional charges may be directly assigned to a customer pursuant to its contract.

Excess shoulder demand is defined as that positive amount (if any) by which shoulder demand exceeds 150% of on-peak period demand.

Excess off-peak demand is defined as:

1. that positive amount by which off-peak period demand exceeds shoulder period demand (when and if shoulder period demand is greater than 150% of the on-peak period demand and off-peak period demand exceeds shoulder period demand), or;
2. that positive amount by which off-peak period demand exceeds 150% of the on-peak period demand (when and if shoulder period demand is less than 150% of the on-peak period demand and off-peak period demand exceeds 150% of the on-peak period demand), or;
3. zero when the above conditions in I are not met and the above conditions in II are not met.

In the event that excess shoulder and/or excess off-peak demand occur, excess shoulder demand shall be billed at the shoulder price and excess off-peak demand shall be billed at the off-peak price.

Any shoulder consumption remaining from October usage shall be billed at the summer shoulder price in following billing months.

Summer billing months are May through October and winter billing months are November through April.

The summer On-Peak period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day). All other hours are Off-Peak. If a holiday

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Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

BILLING DEMAND

The maximum 60-minute measured demand in the month, but not less than 50% of the maximum on-peak demand used for billing purposes in the preceding 11 months, nor less than 50% of the contract demand, nor less than 200 kW.

ADJUSTMENT FOR TRANSFORMER OWNERSHIP AND METERING

1. When Company owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above Schedule subject to a discount of 10.3¢ per kW per month of the billing demand each month.
2. When Customer owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above Schedule subject to a discount of 20.6¢ per kW per month of the billing demand each month.
3. When Customer owns transformers and, at Company's option, energy is metered on secondary side of transformers, the demand shall be metered and the above Schedule subject to a discount of 10.3¢ per kW per month of the billing demand each month.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill. For ESA customers who take direct access after the expiration of their contracts, the "customer's bundled rate" used in the calculation of the floating CTC will be the customer's ESA price as of May 1, 1999, (subject to any automatic escalation provisions contained in the ESA).

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except

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Tucson, Arizona

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District: Entire Electric Service Area

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that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators; not billed to end-use customers).

TAX CLAUSE

To the charges computed under the above prices, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this Schedule.

The Company shall require a written contract and a minimum term of contract.

Optional price schedules are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the price schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, the Company shall assist in determining if a change in schedule is desirable, but not more than one such change shall be made within any twelve month period.

*This Schedule requires a type of meter that is not normally used; therefore, the Company makes no guarantee that meters shall be installed within any specific time. However, the Company shall make its best effort to install the special meter within a reasonable time.

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Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
TIME-OF-USE LARGE GENERAL SERVICE SCHEDULE NO. 85 (FROZEN)

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit -- Rider No. 5.

AVAILABILITY

Throughout the entire area where the facilities of the Company are of adequate capacity and are adjacent to the premises. Service under this Schedule shall be limited to a total of 30 MW.

APPLICABILITY

To all general power and lighting service on an optional basis when all energy is supplied at one point of delivery and through one metered service. Customer shall contract for a demand of not less than 200 kW. Service under this Schedule shall commence when the appropriate meter has been installed.* Also applicable to ESA (special contract) customers who take direct access service after the expiration of their contracts.

Not applicable to resale, breakdown, standby, or auxiliary service.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering shall be required for new installations with service requirements in excess of 2,500 kW.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution

Applicability: Required for Direct Access Service.

Distribution Primary

kW on peak summer	\$1.831900 <i>per kW</i>
Excess kW shoulder summer	\$1.210284 <i>per excess kW</i>
Excess kW off peak summer	\$0.917048 <i>per excess kW</i>
kW on peak winter	\$1.019186 <i>per kW</i>
Excess kW off peak winter	\$0.509593 <i>per excess kW</i>
Summer kWh - Peak	\$0.013663 <i>per kWh</i>
Summer kWh - Off Peak	\$0.005410 <i>per kWh</i>
Summer kWh - Shoulder	\$0.010507 <i>per kWh</i>
Winter kWh - Peak	\$0.010507 <i>per kWh</i>
Winter kWh - Off Peak	\$0.005410 <i>per kWh</i>

Distribution Secondary (Applies to primary & secondary customers;
a primary discount may apply to primary customers.

kW on peak summer	\$0.755689 <i>per kW</i>
Excess kW shoulder summer	\$0.499262 <i>per excess kW</i>
Excess kW off peak summer	\$0.378298 <i>per excess kW</i>

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kW on peak winter	\$0.420431 per kW
Excess kW off peak winter	\$0.210216 per excess kW
Summer kWh - Peak	\$0.004852 per kWh
Summer kWh - Off Peak	\$0.001448 per kWh
Summer kWh - Shoulder	\$0.003550 per kWh
Winter kWh - Peak	\$0.003550 per kWh
Winter kWh - Off Peak	\$0.001448 per kWh

Customer Charge-Service Drop

\$78.530000 per customer month

Fixed Must-Run

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.003600 per kWh

Fixed CTC

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.007800 per kWh

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access Service.

kW on peak summer	\$0.118425 per kW
Excess kW shoulder summer	\$0.078240 per excess kW
Excess kW off peak summer	\$0.059284 per excess kW
kW on peak winter	\$0.065886 per kW
Excess kW off peak winter	\$0.032943 per excess kW
Summer kWh - Peak	\$0.000760 per kWh
Summer kWh - Off Peak	\$0.000227 per kWh
Summer kWh - Shoulder	\$0.000556 per kWh
Winter kWh - Peak	\$0.000556 per kWh
Winter kWh - Off Peak	\$0.000227 per kWh

Customer Information and Lifeline Discount

Applicability: Required System Benefit Charge for Direct Access Service.

kW on peak summer	\$0.131298 per kW
Excess kW shoulder summer	\$0.086745 per excess kW
Excess kW off peak summer	\$0.065728 per excess kW
kW on peak winter	\$0.073048 per kW
Excess kW off peak winter	\$0.036524 per excess kW
Summer kWh - Peak	\$0.000843 per kWh
Summer kWh - Off Peak	\$0.000252 per kWh
Summer kWh - Shoulder	\$0.000617 per kWh
Winter kWh - Peak	\$0.000617 per kWh
Winter kWh - Off Peak	\$0.000252 per kWh

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Uncollectible Accounts

Applicability: Required for Direct Access Service.

kW on peak summer	\$0.025454 <i>per kW</i>
Excess kW shoulder summer	\$0.016817 <i>per excess kW</i>
Excess kW off peak summer	\$0.012742 <i>per excess kW</i>
kW on peak winter	\$0.014162 <i>per kW</i>
Excess kW off peak winter	\$0.007081 <i>per excess kW</i>
Summer kWh - Peak	\$0.000163 <i>per kWh</i>
Summer kWh - Off Peak	\$0.000049 <i>per kWh</i>
Summer kWh - Shoulder	\$0.000120 <i>per kWh</i>
Winter kWh - Peak	\$0.000120 <i>per kWh</i>
Winter kWh - Off Peak	\$0.000049 <i>per kWh</i>

Meter Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation	\$1.500000 <i>per customer month</i>
Maintenance	\$1.500000 <i>per customer month</i>
Equipment	\$9.000000 <i>per customer month</i>
Subtotal	\$12.000000 <i>per customer month</i>

Meter Reading Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service: \$1.000000 *per customer month***Billing and Collection**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service: \$5.000000 *per customer month***Transmission**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV	Non-EHV
2.259	\$0.757000 <i>per kW / Month</i>

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Ancillary Services

Applicability: (See Transmission)

As of June 7, 1999, the charges are as follows:

Service:	Charge
System Control & Dispatch	\$0.041000 <i>per kW / Month</i>
Reactive Supply and Voltage Control	\$0.161000 <i>per kW / Month</i>
Regulation and Frequency Response	\$0.156000 <i>per kW / Month</i>
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 <i>per kW / Month</i>
Supplemental Reserve Service	\$0.069000 <i>per kW / Month</i>

TUCSON ELECTRIC POWER COMPANY

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TIME-OF-USE LARGE GENERAL SERVICE SCHEDULE NO. 85 (FROZEN)

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT.

This is subject to change pursuant to AISA protocols.

Generation

Applicability: The following is the generation charge that is included in Standard Offer Service.

This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.

<i>kW on peak summer</i>	<i>\$12.417682 per kW</i>
<i>Excess kW shoulder summer</i>	<i>\$8.204008 per excess kW</i>
<i>Excess kW off peak summer</i>	<i>\$6.216286 per excess kW</i>
<i>kW on peak winter</i>	<i>\$6.908639 per kW</i>
<i>Excess kW off peak winter</i>	<i>\$3.454319 per excess kW</i>
<i>Summer kWh - Peak</i>	<i>\$0.067735 per kWh</i>
<i>Summer kWh - Off Peak</i>	<i>\$0.011790 per kWh</i>
<i>Summer kWh - Shoulder</i>	<i>\$0.046342 per kWh</i>
<i>Winter kWh - Peak</i>	<i>\$0.046342 per kWh</i>
<i>Winter kWh - Off Peak</i>	<i>\$0.011790 per kWh</i>

Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

Additional charges may be directly assigned to a customer pursuant to its contract.

Excess shoulder demand is defined as that positive amount (if any) by which shoulder demand exceeds 150% of on-peak period demand.

Excess off-peak demand is defined as:

1. that positive amount by which off-peak period demand exceeds shoulder period demand (when and if shoulder period demand is greater than 150% of the on-peak period demand and off-peak period demand exceeds shoulder period demand), or;
2. that positive amount by which off-peak period demand exceeds 150% of the on-peak period demand (when and if shoulder period demand is less than 150% of the on-peak period demand and off-peak period demand exceeds 150% of the on-peak period demand), or;
3. zero when the above conditions in I are not met and the above conditions in II are not met.

In the event that excess shoulder and/or excess off-peak demand occur, excess shoulder demand shall be billed at the shoulder price and excess off-peak demand shall be billed at the off-peak price.

Any shoulder consumption remaining from October usage shall be billed at the summer shoulder price in following billing months.

Summer billing months are May through October and winter billing months are November through April.

The summer On-Peak period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day). All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

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Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS
TIME-OF-USE LARGE GENERAL SERVICE SCHEDULE NO. 85 (FROZEN)

BILLING DEMAND

The maximum 60-minute measured demand in the month, but not less than 50% of the maximum on-peak demand used for billing purposes in the preceding 11 months, nor less than 50% of the contract demand, nor less than 200 kW.

ADJUSTMENT FOR TRANSFORMER OWNERSHIP AND METERING

1. When Company owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above Schedule subject to a discount of 10.3¢ per kW per month of the billing demand each month.
2. When Customer owns transformers and energy is metered on primary side of transformers, the demand shall be metered and the above Schedule subject to a discount of 20.6¢ per kW per month of the billing demand each month.
3. When Customer owns transformers and, at Company's option, energy is metered on secondary side of transformers, the demand shall be metered and the above Schedule subject to a discount of 10.3¢ per kW per month of the billing demand each month.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill. For ESA customers who take direct access after the expiration of their contracts, the "customer's bundled rate" used in the calculation of the floating CTC will be the customer's ESA price as of May 1, 1999, (subject to any automatic escalation provisions contained in the ESA).

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

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Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

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DIRECT ACCESS

TIME-OF-USE LARGE GENERAL SERVICE SCHEDULE NO. 85 (FROZEN)

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators; not billed to end-use customers).

TAX CLAUSE

To the charges computed under the above prices, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this Schedule.

The Company shall require a written contract and a minimum term of contract.

Optional price schedules are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the price schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, the Company shall assist in determining if a change in schedule is desirable, but not more than one such change shall be made within any twelve month period.

*This Schedule requires a type of meter that is not normally used; therefore, the Company makes no guarantee that meters shall be installed within any specific time. However, the Company shall make its best effort to install the special meter within a reasonable time.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 90ASheet No. 1 of 6

Revision No. _____

Effective: _____

DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90A

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit -- Rider No. 5.

AVAILABILITY

Price Schedule No. 90 shall be available for any Customer within the service territory of the Company if the Company has facilities of adequate capacity and a written contract, covering such matters as the Company and Customer shall deem appropriate. Service under this Schedule shall commence when the appropriate meter has been installed.*

Also applicable to ESA (special contract) customers who take direct access service after the expiration of their contracts.

CHARACTER OF SERVICE

Service shall be three phase, 60 Hertz, and shall be supplied directly from any 46,000 volt, or higher voltage, system through distribution facilities used exclusively to serve Price Schedule No. 90 customers at a delivery voltage of not less than 2400/4160 volts and delivered at a single point of delivery unless otherwise specified in the contract.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution

Applicability: Required for Direct Access Service.

Distribution Primary

kW on peak summer	\$0.000000 per kW
Excess kW shoulder summer	\$0.000000 per excess kW
Excess kW off peak summer	\$0.000000 per excess kW
kW on peak winter	\$0.000000 per kW
Excess kW off peak winter	\$0.000000 per excess kW
Summer kWh - Peak	\$0.000000 per kWh
Summer kWh - Off Peak	\$0.000000 per kWh
Summer kWh - Shoulder	\$0.000000 per kWh
Winter kWh - Peak	\$0.000000 per kWh
Winter kWh - Off Peak	\$0.000000 per kWh

Distribution Secondary (Applies to primary & secondary customers;
a primary discount may apply to primary customers.

kW on peak summer	\$0.000000 per kW
Excess kW shoulder summer	\$0.000000 per excess kW
Excess kW off peak summer	\$0.000000 per excess kW
kW on peak winter	\$0.000000 per kW
Excess kW off peak winter	\$0.000000 per excess kW
Summer kWh - Peak	\$0.000000 per kWh
Summer kWh - Off Peak	\$0.000000 per kWh
Summer kWh - Shoulder	\$0.000000 per kWh
Winter kWh - Peak	\$0.000000 per kWh
Winter kWh - Off Peak	\$0.000000 per kWh

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 90ASheet No. 2 of 6

Revision No. _____

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DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90A

Customer Charge-Service Drop

\$0.000000 *per customer month***Fixed Must-Run**

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.002880 *per kWh***Fixed CTC**

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.006200 *per kWh*

Assumes 75% annual load factor

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access Service.

kW on peak summer

\$0.095450 *per kW*

Excess kW shoulder summer

\$0.062978 *per excess kW*

Excess kW off peak summer

\$0.046999 *per excess kW*

kW on peak winter

\$0.078359 *per kW*

Excess kW off peak winter

\$0.038453 *per excess kW*

Summer kWh - Peak

\$0.000513 *per kWh*

Summer kWh - Off Peak

\$0.000363 *per kWh*

Summer kWh - Shoulder

\$0.000427 *per kWh*

Winter kWh - Peak

\$0.000513 *per kWh*

Winter kWh - Off Peak

\$0.000363 *per kWh***Customer Information and Lifeline Discount**

Applicability: Required System Benefit Charge for Direct Access Service.

kW on peak summer

\$0.105825 *per kW*

Excess kW shoulder summer

\$0.069824 *per excess kW*

Excess kW off peak summer

\$0.052107 *per excess kW*

kW on peak winter

\$0.086877 *per kW*

Excess kW off peak winter

\$0.042633 *per excess kW*

Summer kWh - Peak

\$0.000268 *per kWh*

Summer kWh - Off Peak

\$0.000103 *per kWh*

Summer kWh - Shoulder

\$0.000174 *per kWh*

Winter kWh - Peak

\$0.000268 *per kWh*

Winter kWh - Off Peak

\$0.000103 *per kWh***Uncollectible Accounts**

Applicability: Required for Direct Access Service.

kW on peak summer

\$0.020516 *per kW*

Excess kW shoulder summer

\$0.013537 *per excess kW*

Excess kW off peak summer

\$0.010102 *per excess kW*

kW on peak winter

\$0.016843 *per kW*

Excess kW off peak winter

\$0.008265 *per excess kW*

Summer kWh - Peak

\$0.000110 *per kWh*

Summer kWh - Off Peak

\$0.000078 *per kWh*

Summer kWh - Shoulder

\$0.000092 *per kWh*

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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Winter kWh - Peak

\$0.000110 *per kWh*

Winter kWh - Off Peak

\$0.000078 *per kWh***Meter Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation

\$2.000000 *per customer month*

Maintenance

\$2.000000 *per customer month*

Equipment

\$16.000000 *per customer month*

Subtotal

\$20.000000 *per customer month***Meter Reading Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$1.000000 *per customer month***Billing and Collection**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$35.000000 *per customer month***Transmission**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV
2.259Non-EHV
\$0.757000 *per kW / Month*

Note: A loss factor adjustment (1.5%) shall be made for transmission and ancillary services.

Ancillary Services

Applicability: (See Transmission)

As of June 7, 1999, the charges are as follows:

Service:

Charge

System Control & Dispatch

\$0.041000 *per kW / Month*

Reactive Supply and Voltage Control

\$0.161000 *per kW / Month*

Regulation and Frequency Response

\$0.156000 *per kW / Month*

Energy Imbalance Service

(see note)

Spinning Reserve Service

\$0.423000 *per kW / Month*

Supplemental Reserve Service

\$0.069000 *per kW / Month*

Note: A loss factor adjustment (1.5%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT.

This is subject to change pursuant to AISA protocols.

Generation

Applicability: The following is the generation charge that is included in Standard Offer Service.

This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.

kW on peak summer

\$9.955147 *per kW*

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 90A

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Revision No. _____

Effective: _____

DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90A

<i>Excess kW shoulder summer</i>	<i>\$6.568436 per excess kW</i>
<i>Excess kW off peak summer</i>	<i>\$4.901818 per excess kW</i>
<i>kW on peak winter</i>	<i>\$8.172667 per kW</i>
<i>Excess kW off peak winter</i>	<i>\$4.010578 per excess kW</i>
<i>Summer kWh - Peak</i>	<i>\$0.044394 per kWh</i>
<i>Summer kWh - Off Peak</i>	<i>\$0.028798 per kWh</i>
<i>Summer kWh - Shoulder</i>	<i>\$0.035482 per kWh</i>
<i>Winter kWh - Peak</i>	<i>\$0.044394 per kWh</i>
<i>Winter kWh - Off Peak</i>	<i>\$0.028798 per kWh</i>

Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

Additional charges may be directly assigned to a customer pursuant to its contract.

Excess shoulder demand is defined as that positive amount (if any) by which shoulder demand exceeds 150% of on-peak period demand.

Excess off-peak demand is defined as:

1. that positive amount by which off-peak period demand exceeds shoulder period demand (when and if shoulder period demand is greater than 150% of the on-peak period demand and off-peak period demand exceeds shoulder period demand), or;
2. that positive amount by which off-peak period demand exceeds 150% of the on-peak period demand (when and if shoulder period demand is less than 150% of the on-peak period demand and off-peak period demand exceeds 150% of the on-peak period demand), or;
3. zero when the above conditions in I are not met and the above conditions in II are not met.

In the event that excess shoulder and/or excess off-peak demand occur, excess shoulder demand shall be billed at the shoulder price and excess off-peak demand shall be billed at the off-peak price.

Any shoulder consumption remaining from October usage shall be billed at the summer shoulder price in following billing months.

Summer billing months are May through October and winter billing months are November through April.

The summer On-Peak period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day). All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

BILLING DEMAND

The billing demand shall be specified in the contract, but shall not be less than 3,000 kW. Additionally, the On-Peak billing demand shall not be less than 66.67% of the maximum On-Peak billing demand in the preceding eleven (11) months, unless otherwise specified in the contract.

POWER FACTOR ADJUSTMENT

Prices are subject to a discount or a charge of 1.3¢ per kW of billing demand for each 1% the average monthly power factor is above or below 90% lagging to a maximum discount of 13.0¢ per kW of billing demand per month.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 90A

Sheet No. 5 of 6

Revision No. _____

Effective: _____

DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90A

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

Also applicable to ESA (special contract) customers who take direct access service after the expiration of their contracts.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill. For ESA customers who take direct access after the expiration of their contracts, the "customer's bundled rate" used in the calculation of the floating CTC will be the customer's ESA price as of May 1, 1999, (subject to any automatic escalation provisions contained in the ESA).

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators; not billed to end-use customers).

TAX CLAUSE

To the charges computed under the above prices, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 90A

Sheet No. 6 of 6

Revision No. _____

Effective: _____

DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90A

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this Schedule.

The Company shall require a written contract and a minimum term of contract.

Optional price schedules are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the price schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, the Company shall assist in determining if a change in schedule is desirable, but not more than one such change shall be made within any twelve month period.

*This Schedule requires a type of meter that is not normally used; therefore, the Company makes no guarantee that meters shall be installed within any specific time. However, the Company shall make its best effort to install the special meter within a reasonable time.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 90F

Sheet No. 1 of 6

Revision No. _____

Effective: _____

DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90 (FROZEN)

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

Price Schedule No. 90 shall be available for any Customer within the service territory of the Company if the Company has facilities of adequate capacity and a written contract, covering such matters as the Company and Customer shall deem appropriate. Service under this Schedule shall commence when the appropriate meter has been installed.*

Also applicable to ESA (special contract) customers who take direct access service after the expiration of their contracts.

CHARACTER OF SERVICE

Service shall be three phase, 60 Hertz, and shall be supplied directly from any 46,000 volt, or higher voltage, system through distribution facilities used exclusively to serve Price Schedule No. 90 customers at a delivery voltage of not less than 2400/4160 volts and delivered at a single point of delivery unless otherwise specified in the contract.

RATES

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution

Applicability: Required for Direct Access Service.

Distribution Primary

kW on peak summer	\$0.000000 per kW
Excess kW shoulder summer	\$0.000000 per excess kW
Excess kW off peak summer	\$0.000000 per excess kW
kW on peak winter	\$0.000000 per kW
Excess kW off peak winter	\$0.000000 per excess kW
Summer kWh - Peak	\$0.000000 per kWh
Summer kWh - Off Peak	\$0.000000 per kWh
Summer kWh - Shoulder	\$0.000000 per kWh
Winter kWh - Peak	\$0.000000 per kWh
Winter kWh - Off Peak	\$0.000000 per kWh

Distribution Secondary (Applies to primary & secondary customers;
a primary discount may apply to primary customers.

kW on peak summer	\$0.000000 per kW
Excess kW shoulder summer	\$0.000000 per excess kW
Excess kW off peak summer	\$0.000000 per excess kW
kW on peak winter	\$0.000000 per kW
Excess kW off peak winter	\$0.000000 per excess kW
Summer kWh - Peak	\$0.000000 per kWh
Summer kWh - Off Peak	\$0.000000 per kWh
Summer kWh - Shoulder	\$0.000000 per kWh
Winter kWh - Peak	\$0.000000 per kWh
Winter kWh - Off Peak	\$0.000000 per kWh

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 90FSheet No. 2 of 6

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DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90 (FROZEN)

Customer Charge-Service Drop

\$0.000000 *per customer month***Fixed Must-Run**

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.002880 *per kWh***Fixed CTC**

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.006200 *per kWh*

Assumes 75% annual load factor

Floating CTC

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access Service.

kW on peak summer

\$0.177398 *per kW*

Excess kW shoulder summer

\$0.117154 *per excess kW*

Excess kW off peak summer

\$0.088699 *per excess kW*

kW on peak winter

\$0.093570 *per kW*

Excess kW off peak winter

\$0.046828 *per excess kW*

Summer kWh - Peak

\$0.000728 *per kWh*

Summer kWh - Off Peak

\$0.000244 *per kWh*

Summer kWh - Shoulder

\$0.000366 *per kWh*

Winter kWh - Peak

\$0.000366 *per kWh*

Winter kWh - Off Peak

\$0.000244 *per kWh***Customer Information and Lifeline Discount**

Applicability: Required System Benefit Charge for Direct Access Service.

kW on peak summer

\$0.105825 *per kW*

Excess kW shoulder summer

\$0.069824 *per excess kW*

Excess kW off peak summer

\$0.052107 *per excess kW*

kW on peak winter

\$0.086877 *per kW*

Excess kW off peak winter

\$0.042633 *per excess kW*

Summer kWh - Peak

\$0.000268 *per kWh*

Summer kWh - Off Peak

\$0.000103 *per kWh*

Summer kWh - Shoulder

\$0.000174 *per kWh*

Winter kWh - Peak

\$0.000268 *per kWh*

Winter kWh - Off Peak

\$0.000103 *per kWh***Uncollectible Accounts**

Applicability: Required for Direct Access Service.

kW on peak summer

\$0.020516 *per kW*

Excess kW shoulder summer

\$0.013537 *per excess kW*

Excess kW off peak summer

\$0.010102 *per excess kW*

kW on peak winter

\$0.016843 *per kW*

Excess kW off peak winter

\$0.008265 *per excess kW*

Summer kWh - Peak

\$0.000110 *per kWh*

Summer kWh - Off Peak

\$0.000078 *per kWh*

Summer kWh - Shoulder

\$0.000092 *per kWh*

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90 (FROZEN)

Winter kWh - Peak

\$0.000110 per kWh

Winter kWh - Off Peak

\$0.000078 per kWh

Meter Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation

\$2.000000 per customer month

Maintenance

\$2.000000 per customer month

Equipment

\$16.000000 per customer month

Subtotal

\$20.000000 per customer month

Meter Reading Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$1.000000 per customer month

Billing and Collection

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$35.000000 per customer month

Transmission

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV
2.259Non-EHV
\$0.757000 per kW / Month

Note: A loss factor adjustment (1.5%) shall be made for transmission and ancillary services.

Ancillary Services

Applicability: (See Transmission)

As of June 7, 1999, the charges are as follows:

Service:

Charge

System Control & Dispatch

\$0.041000 per kW / Month

Reactive Supply and Voltage Control

\$0.161000 per kW / Month

Regulation and Frequency Response

\$0.156000 per kW / Month

Energy Imbalance Service

(see note)

Spinning Reserve Service

\$0.423000 per kW / Month

Supplemental Reserve Service

\$0.069000 per kW / Month

Note: A loss factor adjustment (1.5%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT.

This is subject to change pursuant to AISA protocols.

Generation

Applicability: The following is the generation charge that is included in Standard Offer Service.

This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.

kW on peak summer

\$9.955147 per kW

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

Title: Vice President, Rates & Regulatory Support

District: Entire Electric Service Area

Tariff No. 90F

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Revision No. _____

Effective: _____

DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90 (FROZEN)

<i>Excess kW shoulder summer</i>	<i>\$6.568436 per excess kW</i>
<i>Excess kW off peak summer</i>	<i>\$4.901818 per excess kW</i>
<i>kW on peak winter</i>	<i>\$8.172667 per kW</i>
<i>Excess kW off peak winter</i>	<i>\$4.010578 per excess kW</i>
<i>Summer kWh - Peak</i>	<i>\$0.044394 per kWh</i>
<i>Summer kWh - Off Peak</i>	<i>\$0.028798 per kWh</i>
<i>Summer kWh - Shoulder</i>	<i>\$0.035482 per kWh</i>
<i>Winter kWh - Peak</i>	<i>\$0.044394 per kWh</i>
<i>Winter kWh - Off Peak</i>	<i>\$0.028798 per kWh</i>

Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

Additional charges may be directly assigned to a customer pursuant to its contract.

Excess shoulder demand is defined as that positive amount (if any) by which shoulder demand exceeds 150% of on-peak period demand.

Excess off-peak demand is defined as:

1. that positive amount by which off-peak period demand exceeds shoulder period demand (when and if shoulder period demand is greater than 150% of the on-peak period demand and off-peak period demand exceeds shoulder period demand), or;
2. that positive amount by which off-peak period demand exceeds 150% of the on-peak period demand (when and if shoulder period demand is less than 150% of the on-peak period demand and off-peak period demand exceeds 150% of the on-peak period demand), or;
3. zero when the above conditions in I are not met and the above conditions in II are not met.

In the event that excess shoulder and/or excess off-peak demand occur, excess shoulder demand shall be billed at the shoulder price and excess off-peak demand shall be billed at the off-peak price.

Any shoulder consumption remaining from October usage shall be billed at the summer shoulder price in following billing months.

Summer billing months are May through October and winter billing months are November through April.

The summer On-Peak period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day). All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

BILLING DEMAND

The billing demand shall be specified in the contract, but shall not be less than 3,000 kW. Additionally, the On-Peak billing demand shall not be less than 66.67% of the maximum On-Peak billing demand in the preceding eleven (11) months, unless otherwise specified in the contract.

TUCSON ELECTRIC POWER COMPANY
Tucson, Arizona
Filed by: Steven J. Glaser
Title: Vice President, Rates & Regulatory Support
District: Entire Electric Service Area

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Sheet No. 5 of 6
Revision No. _____
Effective: _____

DIRECT ACCESS
TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90 (FROZEN)

POWER FACTOR ADJUSTMENT

Prices are subject to a discount or a charge of 1.3¢ per kW of billing demand for each 1% the average monthly power factor is above or below 90% lagging to a maximum discount of 13.0¢ per kW of billing demand per month.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

Also applicable to ESA (special contract) customers who take direct access service after the expiration of their contracts.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill. For ESA customers who take direct access after the expiration of their contracts, the "customer's bundled rate" used in the calculation of the floating CTC will be the customer's ESA price as of May 1, 1999, (subject to any automatic escalation provisions contained in the ESA).

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators; not billed to end-use customers).

TAX CLAUSE

To the charges computed under the above prices, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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District: Entire Electric Service Area

Tariff No. 90F

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DIRECT ACCESS

TIME-OF-USE LARGE LIGHT AND POWER SCHEDULE NO. 90 (FROZEN)

RULES AND REGULATIONS

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this Schedule.

The Company shall require a written contract and a minimum term of contract.

Optional price schedules are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the price schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, the Company shall assist in determining if a change in schedule is desirable, but not more than one such change shall be made within any twelve month period.

*This Schedule requires a type of meter that is not normally used; therefore, the Company makes no guarantee that meters shall be installed within any specific time. However, the Company shall make its best effort to install the special meter within a reasonable time.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. Glaser

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Tariff No. 107

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Revision No.

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OPTIONAL BACKUP SERVICE FOR SELF-GENERATION FACILITIES OVER 3 MW
SCHEDULE NO. 107

AVAILABILITY

Available throughout Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To any self-generation facility when all energy or capacity is supplied by Company at one point of delivery and through one metered service to replace energy ordinarily generated by a facility's own self-generation equipment during an unscheduled outage of the facility.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

RATES

*Service Charge: To be charged to the customer depending on metering facilities required, per contract with TEP. (*Not applicable if billed under the Optional Maintenance Self-generation Service schedule.)

Reservation Charge:

1. For customers who take service at voltage levels greater than 46 kV, the monthly reservation charge shall be in accordance with sections a., b., c., and d. below:
 - a. For customers with alternate supply resources demonstrating a capacity factor of 95 percent or greater during the billing month, \$1.52 per kW of contract standby capacity.
 - b. For customers with alternate supply resources demonstrating a capacity factor of between 90 percent and 94.9 percent during the billing month, \$2.43 per kW of contract standby capacity.
 - c. For customers with alternate supply resources demonstrating a capacity factor of between 80 percent and 89.9 percent during the billing month, \$4.32 per kW of contract standby capacity.
 - d. For customers with alternate supply resources demonstrating a capacity factor lower than 80 percent, \$19.92 per kW of contract standby capacity.

The cost per kW in sections a, b, c, and d above reflect the likelihood that the Company will have to supply the customer's power needs due to a forced outage of the customer's self-generation facility during the billing month, and the Company's cost to supply such power. The customer's charge for reservation capacity during the billing month is the product of the customer's contract standby capacity and the applicable charge per kW. The cost per kW in sections a, b, c, and d above include firm transmission capacity reserved by the Company for the customer and charged consistent with the Company's FERC-approved Open Access Transmission Tariff.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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OPTIONAL BACKUP SERVICE FOR SELF-GENERATION FACILITIES OVER 3 MW
SCHEDULE NO. 107

2. For customers who take service at voltage levels of 46 kV or less, the monthly reservation charge shall be in accordance with sections a, b, c, and d below:
 - a. For customers with alternate supply resources demonstrating a capacity factor of 95 percent or greater during the billing month, \$4.43 per kW of contract standby capacity.
 - b. For customers with alternate supply resources demonstrating a capacity factor of between 90 percent and 94.9 percent during the billing month, \$5.41 per kW of contract standby capacity.
 - c. For customers with alternate supply resources demonstrating a capacity factor of between 80 percent and 89.9 percent during the billing month, \$7.12 per kW of contract standby capacity.
 - d. For customers with alternate supply resources demonstrating a capacity factor lower than 80 percent, \$22.38 per kW of contract standby capacity.

The cost per kW in sections a, b, c, and d above reflect the likelihood that the Company will have to supply the customer's power needs due to a forced outage of the customer's self-generation facility during the billing month, and the Company's cost to supply such power. The customer's charge for reservation capacity during the billing month is the product of the customer's contract standby capacity and the applicable charge per kW. The cost per kW in sections a, b, c, and d above include firm transmission capacity reserved by the Company for the customer and charged consistent with the Company's FERC-approved Open Access Transmission Tariff, and all non-direct-assigned distribution charges.

Direct-assigned Transmission and Distribution Charge: Any transmission- and distribution-related facilities directly assigned to the customer shall be billed in accordance with the Company's Rules and Regulations.

Standby Energy Charge: All kWh @ 2.214¢ per kWh.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TERMS AND CONDITIONS

1. The self-generation customer shall reimburse Company upon receipt of statement from Company for all interconnection costs.
2. The customer shall operate its electric generating equipment in accordance with Company rules, regulations, and service requirements.
3. The Company may require a written contract and a minimum term of contract.
4. The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.
5. The requirement for service shall not exceed the nameplate capacity of the customer's self-generation facilities.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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OPTIONAL BACKUP SERVICE FOR SELF-GENERATION FACILITIES OVER 3 MW
SCHEDULE NO. 107

6. The frequency and duration of service may be limited so that the rates remain compensatory by ensuring that usage retains the characteristics of partial requirements service.
7. A detented meter will be used for service supplied under this schedule.
8. A contribution in aid of construction will be required for any investment in metering equipment in excess of \$1,800.
9. Rates are inclusive of any stranded cost charges associated with this service.
10. Capacity Factor.

For purposes of this rate schedule, the calculation of the capacity factor will be based on an 18-month rolling average as shown in the formula below. The calculation of capacity factor shall not reflect any period of time during a billing month that Company-authorized Maintenance Service was being utilized.

Capacity Factor is equal to the average over the past 18 months of:

$$\frac{(\text{Contract standby capacity} \times \text{hours in month}) - (\text{Standby energy purchased in month})}{\text{Contract standby capacity} \times \text{hours in month}}$$

If customer has less than 18 months of billing history under Backup Service, the capacity factor will be calculated using the months that Backup Service has been taken to date.

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Revision No. _____

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OPTIONAL MAINTENANCE ENERGY SERVICE FOR SELF-GENERATION FACILITIES
OVER 3 MW SCHEDULE NO. 108

AVAILABILITY

Available throughout Company's entire electric service area where the facilities of the Company are of adequate capacity and are adjacent to the premises.

APPLICABILITY

To any self-generator when all energy and capacity are supplied by Company at one point of delivery and through one metered service to replace generation from a facility when such facility is out of service for scheduled maintenance.

CHARACTER OF SERVICE

Single or three phase, 60 Hertz, and at one standard nominal voltage as mutually agreed and subject to availability at point of delivery. Primary metering may be used by mutual agreement.

RATE

Service Charge: To be charged to the customer depending on metering facilities required, per contract with TEP.

Energy Charge:

- All kWh @ 5.228¢ per kWh**.
- All kWh @ 3.70 cents per kWh if this service is taken in conjunction with Optional Self-generation Backup Service.

** Not applicable if billed under the Optional Self-generation Backup Service schedule.

TAX CLAUSE

To the charges computed under the above rate, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

TERMS AND CONDITIONS

1. The customer shall reimburse Company upon receipt of statement from Company for all interconnection costs in excess of the normal interconnection costs of a retail customer similarly served and situated.
2. The customer shall operate its electric generating equipment in accordance with Company rules, regulations, and service requirements.
3. The Company may require a written contract and a minimum term of contract.
4. The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this rate schedule.
5. The requirement for service shall not exceed the nameplate capacity of the QF.
6. The frequency and duration of service may be limited so that the rates remain compensatory by ensuring that usage retains the characteristics of partial requirements service.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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OPTIONAL MAINTENANCE ENERGY SERVICE FOR SELF-GENERATION FACILITIES
OVER 3 MW SCHEDULE NO. 108

7. The performance of scheduled maintenance during certain peak hours or months shall be subject to prohibitions to avoid impairing the Company's ability to serve its full requirements customers.
8. Maintenance schedules shall be submitted to the Company for a 12-month period at least 60 days prior to the beginning of such period.
9. A detented meter will be used for service supplied under this schedule.
10. A contribution in aid of construction will be required for any investment in metering equipment in excess of \$1,800.
11. Rates are inclusive of any stranded cost charges associated with this service.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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District: Entire Electric Service Area

Tariff No. 201

Sheet No. 1 of 11

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DIRECT ACCESS
SPECIAL RESIDENTIAL SCHEDULE NO. 201

The Company's following Riders apply to this tariff: Adder Associated with MGC – Rider No. 1; Must-Run Generation – Rider No. 2; Transmission and Ancillary Services – Rider No. 3; Fixed CTC by Class – Rider No. 4; and Transmission Credit – Rider No. 5.

AVAILABILITY

In all territory served by Company at all points where facilities of adequate capacity and the required phase and suitable voltage are adjacent to the premises served. Direct access to the meter during normal working hours is also a prerequisite for Options B & C of this Schedule.

APPLICABILITY

To single phase or three phase (Option A only) (subject to availability at point of delivery) residential electric service in individual private dwellings when all service is supplied at one point of delivery and energy is metered through one meter. Additionally, this Schedule requires that the customer use exclusively the Company's service for all space heating and all water heating energy requirements except as provided below and that the customer's home conform to the standards of the Good Cents program as in effect at the time of subscription to this Schedule. Notwithstanding the above, the customer's use of solar energy for any purpose shall not preclude subscription to this Schedule. Three different Options are available under this Schedule: A, B, & C. Subscription eligibility requirements are as follows:

Option A: Customer must meet conditions outlined above.

Option B: Customer must meet conditions required for option A and must purchase under the time-of-use structure applicable to Option B. Applicable only to single phase service.

Option C: Customer must meet above conditions required for option A, must use either (i.) solar equipment for water heating requirements during the year or (ii.) an electric heat pump water heater, or both (i.) and (ii.), and must purchase under the time-of-use structure applicable to Option C. Applicable only to single phase service.

Not applicable to resale, breakdown, temporary, standby, or auxiliary service or service to individual motors exceeding 40 amperes at a rating of 230 volts or which will cause excessive voltage fluctuations.

Service under Option B or Option C of this Schedule will commence when the appropriate meter has been installed.* Customers must stay on Option B or Option C of this Schedule for a minimum period of one (1) year. A Customer, at his/her discretion and after being served for a twelve (12) month period under Option B or Option C of this Schedule, may opt to switch service to the non-time-of-use Option A of this Schedule. The Company shall refund to the Customer any excess moneys paid in total over the entire twelve months under Rate No. 201, Option B or Option C that would not have been paid under Rate No. 1. A Customer shall be eligible to receive such a refund of excess moneys on a single occasion only.

CHARACTER OF SERVICE

Option A: Single or three phase, 60 Hertz, nominal 120/240 volts.

Option B: Single phase only, 60 Hertz, nominal 120/240 volts.

Option C: Single phase only, 60 Hertz, nominal 120/240 volts.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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DIRECT ACCESS
SPECIAL RESIDENTIAL SCHEDULE NO. 201

RATES - OPTION A**Single-Phase Service**

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution

Applicability: Required for Direct Access Service.

Distribution Primary

kWh

\$0.016388 *per kWh*Distribution Secondary (Applies to primary & secondary customers;
a primary discount may apply to primary customers.)

kWh

\$0.007091 *per kWh*

Customer Charge-Service Drop

\$2.685628 *per customer month***Fixed Must-Run**

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.004320 *per kWh***Fixed CTC**

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.009300 *per kWh***Floating CTC**

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access Service.

kWh

\$0.000617 *per kWh***Customer Information and Lifeline Discount**

Applicability: Required System Benefit Charge for Direct Access Service.

kWh

\$0.000684 *per kWh***Uncollectible Accounts**

Applicability: Required for Direct Access Service.

kWh

\$0.000133 *per kWh***Meter Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation

\$0.400543 *per customer month*

Maintenance

\$0.080109 *per customer month*

Equipment

\$0.320434 *per customer month*

Subtotal

\$0.801086 *per customer month***Meter Reading Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$0.513286 *per customer month***Billing and Collection**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$1.000000 *per customer month*

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 201Sheet No. 3 of 11

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DIRECT ACCESS
SPECIAL RESIDENTIAL SCHEDULE NO. 201**Transmission****Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission:

\$0.005629 *per kWh*

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV	Non-EHV
2.259	\$0.757000 <i>per kW / Month</i>

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Ancillary Services**Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

Service:

System Control & Dispatch	\$0.000079 <i>per kWh</i>
Reactive Supply and Voltage Control	\$0.000310 <i>per kWh</i>
Regulation and Frequency Response	\$0.000300 <i>per kWh</i>
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.000814 <i>per kWh</i>
Supplemental Reserve Service	\$0.000133 <i>per kWh</i>

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

Service:

System Control & Dispatch	\$0.041000 <i>per kW / Month</i>
Reactive Supply and Voltage Control	\$0.161000 <i>per kW / Month</i>
Regulation and Frequency Response	\$0.156000 <i>per kW / Month</i>
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 <i>per kW / Month</i>

TUCSON ELECTRIC POWER COMPANY

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DIRECT ACCESS
SPECIAL RESIDENTIAL SCHEDULE NO. 201

Supplemental Reserve Service

\$0.069000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

Generation*Applicability: The following is the generation charge that is included in Standard Offer Service.**This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.*

kWh consumed 6/1-8/31

\$0.046530 per kWh

kWh consumed 5/1-5/30 & 9/1-10/31

\$0.029461 per kWh

kWh consumed 11/1-4/30

\$0.019511 per kWh

Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

Three Phase Service

Same as single-phase service, except three-phase service is subject to the following additional charges:

Note:

There is a 3 phase differential of: \$7.50 per customer month

Its components are:

Customer Charge-Service Drop \$1.00 per customer month

Meter Services

Installation \$0.81 per customer month

Maintenance \$0.81 per customer month

Equipment \$4.88 per customer month

Subtotal \$6.50 per customer month

RATES - OPTION B

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution

Applicability: Required for Direct Access Service.

Distribution Primary

kWh

\$0.016388 per kWh

Distribution Secondary (Applies to primary & secondary customers;
a primary discount may apply to primary customers.

kWh

\$0.007091 per kWh

Customer Charge-Service Drop

\$2.685628 per customer
month

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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DIRECT ACCESS
SPECIAL RESIDENTIAL SCHEDULE NO. 201**Fixed Must-Run**

Applicability: Required for Direct Access Service.

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.004320 *per kWh***Fixed CTC**

Applicability: Required for Direct Access Service.

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.009300 *per kWh***Floating CTC**

Applicability: Required for Direct Access Service.

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

Demand Side Management

Applicability: Required System Benefit Charge for Direct Access Service.

kWh

\$0.000617 *per kWh***Customer Information and Lifeline Discount**

Applicability: Required System Benefit Charge for Direct Access Service.

kWh

\$0.000684 *per kWh***Uncollectible Accounts**

Applicability: Required for Direct Access Service.

kWh

\$0.000133 *per kWh***Meter Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation

\$1.360543 *per customer*
month

Maintenance

\$0.272109 *per customer*
month

Equipment

\$1.088434 *per customer*
month

Subtotal

\$2.721086 *per customer*
*month***Meter Reading Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$0.513286 *per customer*
*month***Billing and Collection**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service:

\$1.000000 *per customer*
*month***Transmission****Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit - Rider No. 5

will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based

on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission:

\$0.005629 *per kWh*

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

TUCSON ELECTRIC POWER COMPANY

Tucson, Arizona

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DIRECT ACCESS
SPECIAL RESIDENTIAL SCHEDULE NO. 201**Group "B" : For customers not in Group A.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV	Non-EHV
2.259	\$0.757000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Ancillary Services**Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit -- Rider No. 5

will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based

on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown below.

Service:

System Control & Dispatch	\$0.000079 per kWh
Reactive Supply and Voltage Control	\$0.000310 per kWh
Regulation and Frequency Response	\$0.000300 per kWh
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.000814 per kWh
Supplemental Reserve Service	\$0.000133 per kWh

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

Service:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

TUCSON ELECTRIC POWER COMPANY

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DIRECT ACCESS
SPECIAL RESIDENTIAL SCHEDULE NO. 201**Generation***Applicability: The following is the generation charge that is included in Standard Offer Service.**This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.*

kWh consumed 6/1-8/31 - Peak	\$0.141673 per kWh
kWh consumed 6/1-8/31 - Off Peak	\$0.013103 per kWh
kWh consumed 6/1-8/31 - Shoulder	\$0.072443 per kWh
kWh consumed 5/1-5/30 & 9/1-10/31 - Peak	\$0.103152 per kWh
kWh consumed 5/1-5/30 & 9/1-10/31 - Off - Peak	\$0.000939 per kWh
kWh consumed 5/1-5/30 & 9/1-10/31 - Shoulder	\$0.048114 per kWh
kWh consumed 11/1-4/30 - Peak	\$0.055977 per kWh
kWh consumed 11/1-4/30 - Off Peak	-\$0.010860 per kWh

Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

The Company has the option to price service in the billing months of May and October at lower levels, which levels shall not be less than marginal cost. Any shoulder consumption remaining from October usage will be billed at the shoulder summer shoulder price in following billing months.

The summer On-Peak period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day). All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

RATES - OPTION C

A monthly net bill based on the following, as applicable, plus any adjustments incorporated in this Schedule:

Distribution*Applicability: Required for Direct Access Service.*Distribution Primary
kWh

\$0.016388 per kWh

Distribution Secondary (Applies to primary & secondary customers;
a primary discount may apply to primary customers.
kWh

\$0.007091 per kWh

Customer Charge-Service Drop

\$2.685628 per customer
month**Fixed Must-Run***Applicability: Required for Direct Access Service.*

See Must-Run Generation - Rider No. 2

Price of Service:

\$0.004320 per kWh

Fixed CTC*Applicability: Required for Direct Access Service.*

See Fixed CTC by Class - Rider No. 4

Price of Service:

\$0.009300 per kWh

Floating CTC*Applicability: Required for Direct Access Service.*

See Market Generation Credit (MGC) and Stranded Cost Recovery section of this Tariff.

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Tucson, Arizona

Filed by: Steven J. GlaserTitle: Vice President, Rates & Regulatory SupportDistrict: Entire Electric Service AreaTariff No. 201Sheet No. 8 of 11

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DIRECT ACCESS
SPECIAL RESIDENTIAL SCHEDULE NO. 201**Demand Side Management**Applicability: Required System Benefit Charge for Direct Access Service.
kWh\$0.000617 *per kWh***Customer Information and Lifeline Discount**Applicability: Required System Benefit Charge for Direct Access Service.
kWh\$0.000684 *per kWh***Uncollectible Accounts**Applicability: Required for Direct Access Service.
kWh\$0.000133 *per kWh***Meter Services**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Installation	\$1.360543 <i>per customer month</i>
Maintenance	\$0.272109 <i>per customer month</i>
Equipment	\$1.088434 <i>per customer month</i>
Subtotal	\$2.721086 <i>per customer month</i>

Meter Reading Services

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service: \$0.513286 *per customer month***Billing and Collection**

Applicability: Required for Direct Access Service, but may be purchased from a qualified third party.

Price of Service: \$1.000000 *per customer month***Transmission****Group "A" : For customers under 20 kW and not demand metered.**

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, an estimated rate is shown below.

Energy-based rate for transmission: \$0.005629 *per kWh*

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rate is shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV	Non-EHV
2.259	\$0.757000 <i>per kW / Month</i>

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Ancillary Services**Group "A" : For customers under 20 kW and not demand metered.**

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Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, estimated rates are shown below.

Service:

System Control & Dispatch	\$0.000079 per kWh
Reactive Supply and Voltage Control	\$0.000310 per kWh
Regulation and Frequency Response	\$0.000300 per kWh
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.000814 per kWh
Supplemental Reserve Service	\$0.000133 per kWh

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer.

Sold to scheduling coordinator pursuant to the Company's FERC OATT.

The following OATT rates are shown below for information and for calculation of the floating CTC.

(See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

Service:

System Control & Dispatch	\$0.041000 per kW / Month
Reactive Supply and Voltage Control	\$0.161000 per kW / Month
Regulation and Frequency Response	\$0.156000 per kW / Month
Energy Imbalance Service	(see note)
Spinning Reserve Service	\$0.423000 per kW / Month
Supplemental Reserve Service	\$0.069000 per kW / Month

Note: A loss factor adjustment (5.4%) shall be made for transmission and ancillary services.

Note:

Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

Generation

Applicability: The following is the generation charge that is included in Standard Offer Service.

This charge is not part of Direct Access Service. Information is provided for illustrative purposes only.

kWh consumed 6/1-8/31 - Peak	\$0.141673 per kWh
kWh consumed 6/1-8/31 - Off Peak	\$0.013103 per kWh
kWh consumed 6/1-8/31 - Shoulder	\$0.072443 per kWh
kWh consumed 5/1-5/30 & 9/1-10/31 - Peak	\$0.093756 per kWh
kWh consumed 5/1-5/30 & 9/1-10/31 - Off - Peak	-\$0.002028 per kWh
kWh consumed 5/1-5/30 & 9/1-10/31 - Shoulder	\$0.042180 per kWh
kWh consumed 11/1-4/30 - Peak	\$0.049548 per kWh
kWh consumed 11/1-4/30 - Off Peak	-\$0.013085 per kWh

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District: Entire Electric Service Area

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Demand-Side Management, Uncollectible Accounts, Customer Information and Lifeline Discount are collectively referred to as the System Benefit Charge (SBC).

The Company has the option to price service in the billing months of May and October at lower levels, which levels shall not be less than marginal cost. Any shoulder consumption remaining from October usage will be billed at the shoulder summer shoulder price in following billing months.

The summer On-Peak period is 1:00 p.m. to 6:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The summer Shoulder period is 6:00 p.m. to 8:00 p.m., Monday through Friday (excluding Memorial Day, Independence Day, and Labor Day). The winter On-Peak periods are 7:00 a.m. - 11:00 a.m. and 6:00 p.m. - 9:00 p.m., Monday through Friday (excluding Thanksgiving Day, Christmas Day, and New Year's Day). All other hours are Off-Peak. If a holiday falls on Saturday, the preceding Friday is designated Off-Peak; if a holiday falls on Sunday, the following Monday is designated Off-Peak.

ADDITIONAL NOTES

Additional charges may be directly assigned to a customer based on the type of facilities (e.g., metering) dedicated to the customer or pursuant to the customer's contract, if applicable. Additional or alternate charges may be assessed pursuant to the Company's schedules titled "Direct Access Service Fees" and "Direct Access Meter Fees" and any other Direct Access fee schedule authorized.

See Must-Run Generation – Rider No. 2 for treatment of variable Must-Run Generation.

MARKET GENERATION CREDIT (MGC) and STRANDED COST RECOVERY

The floating CTC is used to recover a portion of stranded cost and is calculated using a MGC methodology. The floating CTC is determined quarterly, with such change set 45 days prior to each quarter, although the amount will vary month-to-month as the MGC varies. The floating CTC equals the difference between the customer's bundled rate and the sum of the MGC, the Adder (pursuant to Adder Associated with MGC – Rider No. 1), and the unbundled charges for: a) distribution, b) transmission, c) meter services, d) meter reading services, e) billing and collection, f) demand-side management system benefits charge, g) customer information and life-line discount system benefits charge, h) uncollectible accounts, i) ancillary services (Transmission and Ancillary Services – Rider No. 3), j) fixed must-run generation (Must-Run Generation – Rider No. 2), and k) fixed CTC (Fixed CTC by Class – Rider No. 4). In a given quarter, the floating CTC can have a negative value, in which case the negative value will be credited to the customer's monthly bill.

The monthly MGC will be calculated using an on-peak component and an off-peak component and will be calculated in advance. The monthly on-peak component will be equal to a market price multiplied by the quantity of 1 plus the appropriate line loss (including UFE). The market price will be equal to the Palo Verde NYMEX futures price, except when adjusted for the variable cost of must-run generation. The off-peak component will be determined in the same manner as the on-peak component, except that the Palo Verde futures price will be adjusted by the ratio of off-peak to on-peak hourly prices from the California Power Exchange of the same month from the preceding year.

ARIZONA INDEPENDENT SCHEDULING ADMINISTRATOR (AISA) CHARGE

A charge of \$0.00004473 per kWh shall, subject to FERC authorization, be applied for costs associated with the implementation of the AISA in Arizona (Applies to scheduling coordinators; not billed to end-use customers).

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Tucson, Arizona

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TAX CLAUSE - Applies to all Options

To the charges computed under the above prices, including any adjustments, shall be added the applicable proportionate part of any taxes or governmental impositions which are or may in the future be assessed on the basis of gross revenues of the Company and/or the price or revenue from the electric energy or service sold and/or the volume of energy generated or purchased for sale and/or sold hereunder.

RULES AND REGULATIONS - Applies to all Options

Service Connection Charges

1. There shall be a \$13.50 charge for the initial establishment of each new service for each Customer.
2. There shall be a \$13.50 charge for the re-establishment of each service for each Customer.

The standard Rules and Regulations of the Company as on file from time to time with the Arizona Corporation Commission shall apply where not inconsistent with this Schedule.

Optional price schedules are or may become available for certain classes of Customers. Upon application for service or upon request the Company will assist the Customer in selecting the price schedule best suited to the Customer's requirements, but Company does not guarantee that Customers will be served under the most favorable schedule. Upon written notification of any material changes in Customer's installation, load conditions, or use of service, the Company shall assist in determining if a change in schedule is desirable, but not more than one such change shall be made within any twelve month period.

Electric space heating and water heating equipment and installation shall conform to the Company's requirements.

* Options B and C of this Rate Schedule require a type of meter that is not normally used; therefore, the Company makes no guarantee that meters will be installed within any specific time. However, the Company will make its best effort to install the special meter within a reasonable time.

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(all prices in mills per kWh)

Residential & General Service (to 200 kW); (Rates 1 & 10)

Summer kWh up to 115% of winter kWh	3.2
Summer kWh greater than 115% but less than or equal to 145% of winter kWh	3.7
Summer kWh greater than 145% but less than or equal to 175% of winter kWh	4.2
Summer kWh greater than 175% but less than or equal to 205% of winter kWh	4.7
Summer kWh greater than 205% of winter kWh	5.2

Large General Service (over 200 kW); (Rate 13)

Summer kWh up to 106% of of winter kWh	2.5
Summer kWh greater than 106% but less than or equal to 136% of winter kWh	2.9
Summer kWh greater than 136%	3.3

Large Light & Power Rate 14 and Contract Customers

Liquid Air	2.5
Fort Huachuca	2.5
Arizona Portland Cement	2.5
IBM	2.5
Asarco Mission 1	2.5
Asarco Mission 2	2.5
Asarco Silverbell	2.5
Cyprus	2.5
University of AZ (Main)	2.5
University of AZ (Medical)	2.5
University of AZ (Heating & Refrig.)	2.5
Burr Brown	2.5
DM AFB	2.5
Raytheon	2.5

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Tariff No. RIDER NO. 2

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MUST-RUN GENERATION – RIDER NO. 2

Must-Run Generation - Rider No.2

Variable Component \$ 0.00162 per kWh

Fixed Component

Residential Service	\$ 0.00432 per kWh
General Service - Rate No. 10	0.00514 per kWh
Large General Service - Rate No. 13	0.00360 per kWh
Large Light & Power - Rate No 14	0.00288 per kWh
Lighting	0.00432 per kWh
Public Authority	0.00432 per kWh

(Average Fixed Component) \$ 0.00432 per kWh

Variable component is billed to scheduling coordinator.

Fixed component is billed directly to end-use customer.

During a month in which must-run generation is provided to meet retail load, the Market Price component used in calculating the on-peak MGC shall be a weighted average of the Palo Verde NYMEX futures price and the must-run variable cost charges that are levied on scheduling coordinators serving retail customers in the TEP load zone during that month, consistent with AISA protocols.

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Tariff No. RIDER 3

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TRANSMISSION AND ANCILLARY SERVICES – RIDER NO. 3**Transmission****Group "A"** : For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service, but not purchased directly by the customer. Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, estimated rates are shown in selected Direct Access tariffs.

Note: A loss factor adjustment shall be made for transmission and ancillary services.

Group "B" : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer. Sold to scheduling coordinator pursuant to the Company's FERC OATT. The following OATT rate is shown below for information and for calculation of the floating CTC (See Transmission Rider No. 3).

As of June 7, 1999, the transmission charges are as follows:

EHV	Non-EHV	
2.259	\$0.757000	per kW / Month

Note: A loss factor adjustment shall be made for transmission and ancillary services.

Ancillary Services**Group "A"** : For customers under 20 kW and not demand metered.

Applicability: Required for Direct Access Service, but not purchased directly by the customer. Sold to scheduling coordinator pursuant to the OATT. The rates in Transmission Credit – Rider No. 5 will be used for the Transmission Credit in the calculation of the floating CTC. These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups. For illustrative purposes, estimated rates are shown in selected Direct Access tariffs.

Services covered:

1. System Control & Dispatch
2. Reactive Supply and Voltage Control
3. Regulation and Frequency Response
4. Energy Imbalance Service
5. Spinning Reserve Service
6. Supplemental Reserve Service

Notes:

- A loss factor adjustment shall be made for transmission and ancillary services.
- Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

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TRANSMISSION AND ANCILLARY SERVICES – RIDER NO. 3**Group "B"** : For customers not in Group A.

Applicability: Required for Direct Access Service, but not purchased directly by the customer. Sold to scheduling coordinator pursuant to the Company's FERC OATT. The following OATT rates are shown below for information and for calculation of the floating CTC (See Transmission Rider No. 3).

As of June 7, 1999, the charges are as follows:

Service		
System Control & Dispatch	\$0.041000	per kW / Month
Reactive Supply and Voltage Control	\$0.161000	per kW / Month
Regulation and Frequency Response	\$0.156000	per kW / Month
Energy Imbalance Service	(see note)	
Spinning Reserve Service	\$0.423000	per kW / Month
Supplemental Reserve Service	\$0.069000	per kW / Month

Notes:

- A loss factor adjustment shall be made for transmission and ancillary services.
- Energy Imbalance Service currently charged pursuant to the Company's OATT, which is subject to change pursuant to AISA protocols.

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Tariff No. RIDER NO. 4

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FIXED CTC BY CLASS – RIDER NO. 4

Fixed CTC by Class - Rider No. 4

The average of Fixed CTC by class is \$0.0093 per kWh

By class, the fixed CTC is:

Residential	0.0093 per kWh
General Service (Rate No. 10):	0.0111 per kWh
Large General Service (Rate No. 13):	0.0078 per kWh
Large Light and Power (Rate 14):	0.0062 per kWh
note: this is an average charge based on a 75% load factor.	
Rate No. 14 and Special Contract charges shall be adjusted such that	
a 60% load factor customer is charged:	0.0078 per kWh
and a 90% factor customer is charged:	0.0046 per kWh
Lighting:	0.0093 per kWh
Public Authority:	0.0093 per kWh

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District: Entire Electric Service Area

Tariff No. RIDER NO. 5

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TRANSMISSION CREDIT – RIDER NO. 5

Specific rates to be determined.

These rates are based on the Company's OATT, but are converted to a kWh-basis for specific load-profiled customer groups.

For illustrative purposes, estimated rates are shown in the Transmission and Ancillary Services sections (for "Group A" customers) of the respective Direct Access tariffs.